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ABSTRACT

One of a series of reports on lifelong learning in California, this report reviews the concept of educational brokering and presents the proceedings of the 1977 conference, "The Role of Nonaccredited Contracting Agencies in California Postsecondary Education." An educational broker is an organization or an individual serving, for a fee, as an agent of one or more degree-granting institutions. Services provided may include student or faculty recruitment, records processing, program development, or program and faculty review. Four basic elements are described that have contributed to the development of educational brokering: general societal factors, characteristics of the educational climate, institutional factors, and the profit motive. The status of educational brokering in California is reviewed along with its future outlook and policy issues it raises. Among the appendices are a broker questionnaire, institutional questionnaire, list of educational brokers, agent permits, and a list of out-of-state institutions operating in California. (LBH)

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One of a series of reports on LIFELONG LEARNING

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Educational Brokering in California

OCTOBER 1977

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California
Postsecondary
Education
Commission

EDUCATIONAL BROKERING IN CALIFORNIA

I. An Introductory Report

and

II. Proceedings of the Conference,

"The Role of Nonaccredited Contracting Agencies
in California Postsecondary Education"
at the
University Hilton Hotel
Los Angeles
May 6, 1977

Part of a series of reports on lifelong learning in California

1977

California Postsecondary Education Commission

EDUCATIONAL BROKERING

IN

CALIFORNIA

I. An Introductory Report

California Postsecondary Education Commission

April 27, 1977

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FOREWORD TO THE INTRODUCTORY PAPER

During the summer of 1976, California Postsecondary Education Commission staff became aware of a development which ultimately came to be labeled "educational brokering."* It seemed that this activity was one which might have implications for the future of "lifelong learning" and other subjects which the Commission was to address in the year ahead. A preliminary oral report by staff to the Ad Hoc Committee on Lifelong Learning (then designated as the Adult Education Subcommittee) in January 1977, was received with considerable interest by Commissioners. The staff was directed to continue its work in this area and to report back at a later date.

In order to provide Commissioners with a fuller description of educational brokering, a background paper was prepared by Commission staff. The final version of that paper is reproduced here for the reader's own introduction or review. This paper proved of such general interest that it became the introductory piece mailed to registrants for a one day conference treating the same topic, on May 6, 1977 at the University Hilton Hotel in Los Angeles. It thus "precedes the proceedings" of that conference in this report.

*It should be noted that the term "educational brokering" has been used by others to denote a very different kind of activity, one in which the primary client is the student. The term, however, seems appropriate to the type of activity discussed in the paper and again at the Conference, so the designation has been retained. See page 1 of the proceedings for an operational definition.

EDUCATIONAL BROKERING DEFINED

An educational broker is an organization or an individual who serves, for a fee, as an agent of one or more degree-granting institutions. The relationship between broker and institution usually involves a contract, but may utilize a memorandum of understanding or even a less formal agreement, to specify the services to be provided by the broker, the relationship between the two parties, and the broker's fee. Services provided by a broker include one or more of the following:

- Student recruitment
- Records processing

  This may range from receipt of initial application materials and the processing of grades to the actual maintenance of student files.

- Faculty recruitment

  This may range from identifying potential faculty, and compiling vitae to be used by the campus in evaluating candidates to recommending faculty to the institution.

- Program development

  This may range from adapting an institution's existing curriculum to suggestions for new courses or entire programs.

- Program and faculty review

  This may range from a relatively small amount of monitoring, in service of the brokers' interest of maintaining an attractive program to students, to primary responsibility for quality control.

The term, "educational brokering," has been utilized differently by others; some define it as akin to a community advisement center.[1]

EDUCATIONAL BROKERING: THE FORMATIVE CONTEXT

Four basic elements have contributed to the development of educational brokering. These are: (1) general societal factors; (2) characteristics

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1. James M. Heffernan, Francis V. Macy, and Donn F. Vickers, Educational Brokering: A New Service For Adult Learners, National Center for Educational Brokering, Syracuse, New York, 1976.

of the educational climate; (3) institutional factors; and (4) the profit motive.

General Societal Factors

Perhaps the most important single influence in the growth of educational brokering is a person's desire to be credentialed. There is a pervasive belief that one can best demonstrate his or her potential for vocational advancement, or qualification for a position, through acquiring a college degree or degrees. The credentialing concern is also reflected in continuing education requirements of certain occupations and in licensing standards which require formal educational work for certification, or as a prerequisite to a formal examination. In some cases, the credentialing via a college degree seems to be viewed as a badge of personal worth--an achievement which proves to oneself and others that the individual is worthy of upward social mobility.

Another important aspect of societal influence has been financial support for educational programs. This support has been forthcoming because of the widespread acceptance of the importance of credentialing, as well as the need to respond to the demands of industrial and technological society.[2] Business, industry, government, and the military (BIGM) have provided extensive financial support to students and institutions, directly and indirectly.[3] This support has enabled students to pursue academic programs when it would not otherwise have been possible to do so. Types of student assistance range from direct grants, cost-sharing plans, and competitive scholarships to guaranteed loans. Institutions have received such assistance in the form of gifts and donations, tax benefits, matching funds, and free use of facilities.

The third influence is the condition of the labor market, which has been "lackluster" in the past several years. Fewer jobs have been available, and in some occupations it has been recognized that advancement is most likely to occur by staying with a particular employer and advancing across and up the salary schedule, rather than through competing for a restricted number of higher positions on the open market. This has been particularly true among government workers and teachers. Degrees, credentials, and

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2. Ted K. Bradshaw, "New Issues for California, The World's Most Advanced Industrial Society," in the Public Affairs Report, Bulletin of the Institute of Governmental Studies, University of California, Vol. 17, No. 4, August 1976.

3. Seaton, pp. 7-27; National Center for Educational Brokering Bulletin, pp. 1-2.

academic credits generally represent principal ingredients in progress through the salary schedules.

The Educational Climate

Certainly, the dominant influence in the development of educational brokerage, insofar as the educational climate is concerned, has been the widespread development of external degree programs in the United States. In a recent survey of its membership, the Council of Graduate Schools determined that nearly 20 percent of the institutions had external degree programs or were about to implement them.[4] The Western Interstate Commission for Higher Education (WICHE) surveyed its thirteen member-states[5] concerning existing "extended degree" programs.[6] The survey revealed that about one-fifth of the institutions in the region offered such programs, and that "location of instruction" accounted for the extended degree designation in 70 percent of the cases.[7] In California, studies by the Coordinating Council for Higher Education (CCHE), and its successor, the California Postsecondary Education Commission (CPEC), have revealed an active and increasingly extensive arena of off-campus and external degree programs.[8]

A second element of the educational climate which has particular importance is the pluralism that characterizes American postsecondary education. This pluralism is reflected among both institutions and students. In recent years there has been a trend toward a greater recognition of noncollegiate institutions that provide services to the adult population. This is best illustrated by the broad adoption of the term "postsecondary education," and in the concern various levels of government have displayed in bringing this broader range of institutions into the planning process and into circles once reserved for higher education. The

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4. Council of Graduate Schools Communicator, December 1975, p. 3.

5. Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

6. "Extended degree" is defined more broadly than external degree; it includes degree programs distinguished from traditional offerings by (1) type of student enrolled, (2) method of instruction utilized, or (3) location of program.

7. Lilla E. Engdahl and Thomas M. Shay, Extended Degree Programs in the West: Conference Proceedings, Western Interstate Compact for Higher Education, Boulder, Colorado, November 1976.

8. A Preliminary Study of External Degree Programs in California (CCHE) and "Inventory of Off-Campus Locations and Programs" (CPEC).

stereotype of higher education--which pictures the student with middle-class origins attending an accredited institution to earn a degree immediately following high school, on a more-or-less full-time basis--is no longer the definitive image of what either students or institutions are like. It is now widely recognized that students have adopted varied attendance patterns; that students now include ethnic minorities, women, and older people to a greater extent than ever before; and that a degree from a lesser-known institution may serve a student's interests just as well as a degree from a prestigious one.[9]

This pluralism finds expression in a slightly different manner as another influence within the context of the educational climate. This factor could be labeled the "asymmetrical degree." Degrees awarded at both the graduate and undergraduate levels vary in at least four significant ways from institution to institution. For example, while different people may each have been awarded a master's degree in business administration, the similarity between degrees may be in name only, with different standards with respect to: (1) admission requirements; (2) the range and order of learning experiences; (3) the level of academic performance required; and (4) the meanings, both explicit and implicit, of receiving X degree from Y institution. And, of course, this asymmetry is even more pronounced as different fields of study are considered. Different individuals holding master's degrees from the same institution, in different disciplines, may have encountered standards in these four areas which were more divergent from each other than had they attended two different institutions, but worked within the same academic discipline.[10]

Another factor of the educational climate is the relatively recent entrance of noncollegiate organizations into the degree-granting field. Arthur D. Little Incorporated now awards a Master of Science in Management through its Management Education Institute in Cambridge, Massachusetts.[11] This program has just recently achieved regional accreditation by the New England Association of Schools and Colleges. The International Correspondence School of Scranton, Pennsylvania, has been certified to award the baccalaureate degree by the State of Pennsylvania. In California, the Rand Corporation founded the Rand Graduate Institute in

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9. Graulich; Planning for Postsecondary Education in California: A Five-Year Plan Update; Equal Educational Opportunity in California Postsecondary Education; A Report to the President of the University of California From Student Affirmative Action Task Groups; Feldman and Newcomb, pp. 106-150.

10. Stephen H. Spurr, Academic Degree Structures: Innovative Approaches, The Carnegie Commission on Higher Education, McGraw-Hill, New York, 1970.

11. Catalog of the Arthur D. Little Management Education Institute.

1970. This institution offers a doctoral program in policy analysis, and accreditation was awarded by the Western Association of Schools and Colleges (WASC) in 1975.[12] Licensed "Marriage, Family, and Child Counselors" in California recently received an announcement that a group of professional counselors who had previously conducted workshops and training programs are planning to develop their program into a three-year doctoral program and will seek authority from the State to grant the doctorate.[13]

The final element in the educational climate contributing to the development of educational brokering might be described as a "lack of fit" between existing review mechanisms of regional accrediting associations and the activities of educational brokers. Since the advent of both external degree programs and educational brokering is of relatively recent origin, the procedures of accrediting associations are not particularly appropriate to this new range of activity. The accrediting agencies have recognized this and have sought to address the issue through discussions with institutions and through research, attempting to develop appropriate criteria for the evaluation of such programs.[14] However, when educational brokering began early in the decade, there was little in the way of guidance for institutions, brokers, or accrediting bodies, and to this date truly definitive guidelines are still lacking.[15]

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12. Policy analysis is defined as the "application of scientific methods to problems of public policy and choice in domestic, international, and security affairs." Rand Graduate Institute, The Bulletin, 1976-1977, p. 2.

13. "Professional Training Program in Marital, Family, and Child Therapy" brochure. This will involve applying under provisions of Division 21 of the Education Code to the Bureau of School Approvals of the Department of Education.

14. Thrash, "Nontraditional Institutions and Programs," (1975), pp. 321-333. See also Thrash, Study to Develop Evaluative Criteria, (1976), pp. 1-12.

15. The most comprehensive early statement on educational brokering was developed as an interim position in 1973 by the Federation of Regional Accrediting Commissions on Higher Education (FRACHE). See Appendix A. The Senior Commission of the Western Association of Schools and Colleges (WASC) also developed an interim statement in 1975. See Appendix B. See also the WASC "Advisory" of February 24, 1977, Appendix D.

Institutional Factors

The third category of influence in the rise of educational brokering could be called "institutional factors." The first of these is the most basic--the need for new student markets. The traditional 18 to 24 year-old market has been beset with a declining birth rate, and many institutions are now aggressively seeking to serve a broader constituency. Often, the best prospects for new programs represent the kinds of students and programs which are unfamiliar to many institutions. The need for a special *entreé* or expertise has led to the development of contractual relationships with educational brokers. By utilizing the services of a broker, who provides, in effect, "risk capital," an institution can pursue program development and delivery at minimal or no initial cost and with no long-term institutional commitment of resources. For example, since adjunct professors so often represent the primary source of instruction, problems with tenure and program termination are eliminated.

The Profit Motive

The profit motive is the final general category of influence on the development of educational brokering. This category consists of two parts. First, a great number of students who pursue academic training do so because of the potential financial return it offers. Second, educational brokers, even when they are incorporated as nonprofit organizations, seem to be responsive to the profit motive. Officers of the organizations receive salaries based on their brokering activities whether or not such activities are classified as "nonprofit."

The multiple influences upon the development of educational brokering are summarized below in Figure 1.

Figure 1

Multiple Influences Upon
the Development of Educational Brokering

SOCIETAL FACTORS	EDUCATIONAL FACTORS
- Credentialing - BIGH financial support - Labor market climate	- Growth of external degree - Plurality of emphasis - Asymmetry of degree - Noncollegiate sector degrees - Incongruity of accrediting mechanisms
INSTITUTIONAL FACTORS	**ECONOMIC FACTORS (Profit Motive)**
- Need for new markets - Need for entreé and/or expertise - Little demand on resources	- Individual advancement - Financial reward to the broker

EDUCATIONAL BROKERING IN CALIFORNIA

Although the total number of organizations providing educational brokering services for California institutions is unknown, some eleven different organizations have been identified. These firms represent considerable diversity, both in the range of services provided to institutions and in the nature of the other professional activities in which some engage. When one speaks of this group of eleven as "the educational brokers in California," it must be with the recognition that any prototype created for ease of discussion may not correspond closely to any one particular organization. Only about half of the organizations limit their professional efforts to educational brokering. Other pursuits include publishing; management consulting; developing training programs for government, business and industry; and designing independent study materials. Despite these differences there is a commonality in the kind of function they serve for the various institutions they represent.[16] Based on information provided by brokers on questionnaires, and in direct interviews with institutions and brokers, it appears that these organizations generally are involved heavily in student recruitment, program development, and records processing, and somewhat less involved in faculty recruitment and program and faculty review.[17]

About half the brokers represent more than one institution, and three brokers represent out-of-state institutions operating within California. Brokers also represent California-based institutions in other states, and in other countries. Although some educational brokers represent institutions in only a few locations, one of the largest brokers represents three different institutions at 106 different locations. With a single exception, available information indicates that brokered programs represent only a small proportion of students enrolled and degrees granted at affiliated institutions.

Few data are available on the specific characteristics of students and programs offered in California in conjunction with educational

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16. Brokers provide, or participate in providing, one or more of the following services: student recruitment; records processing; faculty recruitment; program development; and program and faculty review.

    A few of these organizations feel that a more appropriate designation for their activities is "management consulting." While it is true that their services could be so cataloged, this seems a much more global description and one not nearly as precise with regard to the essence of the function performed, as does educational brokering.

17. Discussions were held with ten of eleven brokers, with seven completing questionnaires (see Appendix E), and with seven institutions.

brokers. However, several studies have been done which are descriptive of off-campus programs and of the students who participate in them.[18] Since brokered programs are almost exclusively off-campus in nature, it seems reasonable to assume that these findings provide fairly accurate information about the character of brokered programs offered at off-campus locations. They tend to be: (1) less than five years old; and (2) generally designed for special occupational groups, such as the military. The students tend to be: (1) white; (2) male; (3) over 30 years of age; (4) married; and (5) working full-time. It was also noted that ". . . 'the reputation of the program' was not so important as it seemed to be in traditional programs . . .."[19]

In some cases, brokered programs have been provided in nondegree areas. For example, several Community Colleges have offered vocational-technical and certificate programs to military personnel in foreign countries. Additionally, some borkers have developed programs in conjunction with professional associations and institutions which provide Continuing Education Units (C.E.U.) or credit units outside of degree programs. Within the market for degrees, the master's degree is the program most often provided, usually in a business-or-management-related area or in education. As of now, doctoral degrees are not available through brokered programs.[20]

The affiliations of educational brokers with institutions are shown in Figure 2.

Educational brokers vary considerably in terms of size. Four organizations have 70 or more employees, with two of these having payrolls which approach 100. At the other extreme, one organization has no full-time employees.

Seven brokers provided information about their gross annual earnings from brokering activities in their most recently completed fiscal year. Of these, three firms received under $100,000; two firms received between $100,000 and $499,999; and two firms had income of between $1,000,000 and $1,499,999.

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18. Medsker, et. al., Council of Graduate Schools Communicator (1975); Shay and Engdahl, "Inventory of Off-Campus Locations and Programs." The first two studies are national in scope, the third regional, and the last applies exclusively to California.

19. Medsker, et. al., p. 54.

20. This information, which relates specifically to programs offered in conjunction with educational brokers, was obtained through interviews and by questionnaires, from institutions and brokers in California.

The usual agreement between a broker and an institution calls for the institution to receive 25-30 percent of the revenue generated, with the broker receiving a similar amount. The remaining 40-50 percent of the revenues covers the direct costs of instruction.

Contracts, or sometimes less formal agreements, usually run for a year. In one case a broker and an institution signed a five-year contract.

Figure 2

Broker Affiliation With
Institutions of Higher Education*

	BROKER	INSTITUTIONS
1.	Academic Overtures	(a) Pacific Christian College (b) Florida Atlantic University
2.	Center for Continuing Education	(a) La Verne College (b) Rocky Mountain College (Montana) (c) Biscayne College (Florida) (d) Madison College (Virginia) (e) St. Thomas College (Minnesota)
3.	Continuing Education Corporation	(a) Pepperdine University
4.	Foundation for Educational Services[21]	
5.	External Degree Services	(a) Upper Iowa University (b) St. Joseph's College (Maine)
6.	Institute for Professional Development	(a) University of San Francisco (b) St. Mary's College (c) University of Redlands
7.	International Education Foundation[21]	(a) Los Angeles Community College District
8.	Modulearn Incorporated	(a) Barstow College
9.	Rockport Management Corporation	(a) Pepperdine University
10.	West Bristow Consultants	(a) La Verne College
11.	Western Management Institute	(a) St. Mary's College

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* Appendix H includes additional information about educational brokers.

21. The International Education Foundation was formed by personnel formerly with the Foundation for Educational Services; they have replaced the latter foundation as the broker with LACCD.

THE FUTURE OF EDUCATIONAL BROKERING IN CALIFORNIA

Even though several educational brokers are currently engaged in activities that involve hundreds of students and several institutions, the future for educational brokering beyond 1977 is uncertain. This uncertainty is the result of three factors:

1. changes in federally mandated programs;
2. financial difficulty of some brokers;
3. the actions of WASC to restrict educational brokering.

In 1976, one of the larger brokers, which has diversified professional interests, derived about 80 percent of its income from brokering activities. This organization estimates that in 1977 brokering will account for only about 20 percent. Basically this change relates to the termination of a federal program in which the organization was deeply involved. This change in the Predischarge Education Program (PREP) occurred in November of 1976 when the Department of Defense discontinued funding. At about the same time, new regulations for the G.I. Bill went into effect. Servicemen must now voluntarily contribute toward the establishment of a fund which will support their educational pursuits. This may reduce participation among one key broker market. Even before this occurred, in the fall of 1976, the total number of veterans enrolled in higher education dropped by one-third over the number enrolled in the fall of 1975.[22] "The Veterans Administration said the sharp drop in veteran's enrollment followed the expiration of G.I. Bill benefits for more than 3.3 million veterans last June."[23] Along with these negative influences are the stringent regulations recently issued by the Veterans Administration, which specify that courses must have been operating at a given location for at least two years, and also specify the student class ratio of military to civilian personnel required to qualify for funding.

Several brokers appeared to be facing financial reverses during 1976. Even if other elements of the environment in which they work in California were favorable, some will probably cease operations by the end of 1977.

The major negative influence which makes the future of educational brokering uncertain is the position recently espoused by WASC. In a memorandum to accredited and candidate institutions, the Executive Director

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22. Jack Magarell, "Washington Internships for Undergraduates," in The Chronicle of Higher Education, March 28, 1977, p. 7.

23. Ibid.

of WASC's Senior Commission suggests that by the fall of 1977 a major revision or revocation of the existing policy of allowing contractual relations may occur.[24]

It further suggests that, with reference to contracts for instructional services, institutions:

1. refrain from entering into new contracts at least until after November 1977;

2. limit the extension or renewal of existing contracts, where early renewals are anticipated; and

3. consider ways and means which could be used to phase out existing contracts with the least possible adverse impact on all concerned.[25]

WASC's basic apprehension regarding relationships between educational brokers and institutions, relates to:

1. the awarding of excessive amounts of academic credit for on-the-job training and life experience;

2. insufficient class contact and preparation hours per unit of credit awarded;

3. the accuracy of program descriptions in institutional bulletins;

4. the manner in which programs have received institutional approval;

5. a general lack of on-campus faculty involvement in programs;

6. an apparent granting of operational control of programs to nonaccredited organizations, resulting in the "lending" of the institutions accreditation;

7. the financial arrangements between institutions and nonaccredited organizations;

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24. Memorandum of February 24, 1977 to Accredited and Candidate Institutions from Dr. Kay J. Andersen (Appendix D).

25. Ibid.

8. the qualifications of faculty engaged by non-accredited organizations.[26]

In June of 1976, the Senior Commission appointed a Committee on Contract Education, which was charged with the task of examining all existing and proposed programs and contracts, and making recommendations concerning established policy on contractual relations.[27] In the fall of 1976, the Committee began a review process that included visiting some programs offered by institutions in conjunction with educational brokers. The staff of the Postsecondary Education Commission sought to participate in the Committee's review in order to learn more about educational brokering at first hand. However, the Senior Commission felt that this would not be appropriate. It was suggested that the Postsecondary Education Commission might be allowed to participate at a later date, after the Committee review procedures were refined. The Executive Director of the Senior Commission, Dr. Kay Andersen, has reported that WASC has received a large number of complaints about brokered programs from municipal governments, school districts, and others, both in California and in states in which California-based institutions were operating. However, since no systematic procedures for the tabulation of these data have been developed, WASC was unable to provide a synopsis of the complaints for Commission staff to aid in the preparation of its background paper on brokering.

The Committee on Contractual Relationships has just begun its review of programs and contracts. Since WASC has not engaged in public dialogue with institutions, educational brokers, and other interested parties, and since WASC has not issued a position paper, the justification for what appears to be imminent prohibition of contractual relationships is not clear. However, the wording of the brief advisory memorandum is sufficiently broad that not all institutions and ecucational brokers feel it will apply to them.[28] Some believe that the reference in the memorandum to "outside agencies providing contractual instructional services" does not really describe their activity. Others feel that by changing or establishing a different kind of relationship between the institution and the broker they would be exempt. Two methods of accomplishing this are illustrated in Figure 3.

In neither "a" nor "b" (Figure 3) is the broker/institutional relationship necessarily changed. It would seem necessary and timely for WASC

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26. WASC memorandum to accredited institutions (7/16/76). See Appendix C.

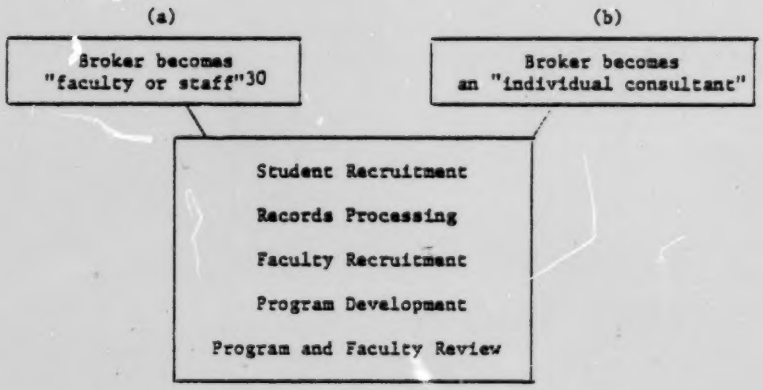
27. Existing policy guidelines were developed in 1975. See Appendix B.

28. See Appendix D.

to explain the rationale for its advisory memorandum to provide a full interpretation of the advisory, and to engage in dialogue with the affected parties. During the course of reviewing educational brokering, Commission staff generally found both institutional representatives and educational brokers open to discussion and willing to share information.[29] Therefore, it would seem that the potential for dialogue of the type suggested is good, and that all concerned would profit from the experience.

Figure 3

Adaptation of the Broker/
Institutional Relationship



POLICY ISSUES RAISED BY EDUCATIONAL BROKERING

The existence and activities of educational brokering raise several policy issues which merit consideration by the Postsecondary Education

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29. Institutions provided copies of confidential reports and general information, as did some brokers. These included such items as: La Verne College-Field Studies, Modified Self-Study; Los Angeles Community College Overseas Program District Accreditation Report; John C. Petersen and Dale Tillery, University of San Francisco External Degree Programs. Seven of the eleven educational brokers completed questionnaires, ten took part in interviews, some in several sessions, each of several hours duration.

30. If the broker continues to work for other institutions as before, or completes a particular project and then moves from institution to institution over time as "staff or faculty," it would appear that the change from broker to employee was really no change at all.

Commission.[31] At this time, however, the information available is only preliminary in nature. Indeed, since some of the questions tend to deal with philosophical issues, they may never be subject to resolution without more-definitive data. In any event, when educational brokering is considered, it should be viewed in connection with the following broader educational policy issues:

1. State regulatory responsibility and consumer protection

The State has the primary responsibility for regulating organizations operating within its borders. Generally this is fulfilled through the function of incorporation or chartering and through licensure.[32] One of the principal objectives of this function is consumer protection. Division 21 of the Education Code provides for both the regulation of private institutions of postsecondary education and for registration of agents who represent correspondence schools and residence schools.[33] Those who work as agents are required to obtain a permit for each institution they represent (unless the ownership of schools is the same), to be of good moral character, and to be bonded for one thousand dollars.[34] Educational brokers interviewed by Commission staff were generally not aware of these requirements; only one broker had complied with the

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31. The Commission is charged with the responsibility of advising the Legislature, the Governor, other appropriate governmental officials and institutions of postsecondary education. This process occurs through the four primary functions of (1) serving as a clearinghouse of information, (2) through comprehensive statewide planning, (3) through evaluation of all aspects of postsecondary education and (4) through the coordination of educational resources for maximum benefit to the citizens of the State.

32. William A. Kaplin, Respective Roles of Federal Government, State Governments, and Private Accrediting Agencies in the Governance of Postsecondary Education, The Council on Postsecondary Accreditation, July 1975.

33. Division 21 currently exempts institutions which have accreditation recognized by the U.S. Office of Education from State scrutiny. A recent Commission study recommended that this provision of the Education Code be made permissive instead of mandatory, thus allowing for State (Bureau of School Approvals, of the Department of Education) review of the programs of accredited institutions. Postsecondary Education Commission, The Role of the State in Private Postsecondary Education: Recommendations for Change, p. 10. This has been introduced in proposed legislation by Assemblyman Dixon Arnett as AB 911 (March 14, 1977).

34. Chapter 3 of Division 21 of Part I of Table 5 of the California Administrative Code. See Appendix F.

regulation.[35] The current regulations and those proposed in Assembly Bill 911 (Arnett) would apply only to brokers engaged in student recruitment. Most brokers engage in this activity, but not all do. The basic questions are: (1) Does evidence suggest that the activities of some educational brokers pose a threat to consumers, and that this threat could be eliminated by State intervention?[36] (2) Does the scope of the problem justify State action, and if so, how shall it be implemented?

It is apparent that WASC has serious reservations about relationships between institutions and educational brokers. However, data from the WASC review have not been made available, and since Commission staff itself has not participated in the review of brokered programs, staff has no direct evidence, at this time, that educational brokering poses a threat to consumers. Even if such data were available, it is not clear that the State should become involved in attempting to ameliorate the problem. It does seem clear that the Commission should continue to monitor the area of educational brokering, and to participate as fully as possible in the deliberations of WASC with regard to this subject. The Commission can provide a real service to the entire postsecondary education community by bringing the interested parties together, and working to insure that an open, thorough review takes place.

At this point no further State intervention into the regulatory process seems required.

2. The pervasive emphasis upon credentialing and the lack of consensus as to the significance of college degrees

There is little doubt that the college degree represents one of society's most prized credentials. The emphasis upon credentialing lies at the very heart of the question of educational brokering, as well as other issues facing the academic community. Given the pluralistic nature of the postsecondary education "system" in the United States, and the size and complexity of our advanced industrial society, this issue may be too broad and multi-faceted ever to be resolved. However, the Commission can and should consider this issue, and should encourage the review of this topic by business, industry, government, and the military; by the central

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35. Commission staff informed brokers that the provisions might apply to them and left information packets published by the Bureau of School Approvals with each broker.

36. Primary consumers are students who participate in the brokered programs. Secondary consumers are those who make assumptions and judgments about the general competence and skills of those who received their training through brokered programs.

administrations of public higher education; and by other constituencies of California postsecondary education.

3. Institutions from other states entering California and operating programs

Given the financial difficulty institutions (both private and public) are facing because of inflation, and the reduced traditional student market of 18 to 24 year olds, competition for students has become acute. Institutions are seeking new markets in terms of the types of students served, the kinds of programs offered, and the location at which programs can be delivered. With the coming age of the external degree, the number of "outreach" offerings by institutions is no longer confined to the handful of private innovative institutions that have served the older, part-time student for quite some time. Now, a number of publicly supported institutions have become as enterprising in expanding their service areas around the nation and around the world. Some states have developed policies which severely restrict, or exclude altogether, programs of all out-of-state institutions. However, such regulations may be subject to challenge as "restraint of trade" and in violation of the U.S. Constitution.[37] Regional accrediting associations have become increasingly concerned about external programs operating across state borders from the home campus. In the past, these operations have seldom been subject to review. This is changing, and such review probably will result in the reduction of some programs, particularly those which do not reflect a long-term commitment by the sponsoring institution. If the various external programs of private institutions are, in fact, quality operations, and are being monitored appropriately by the accrediting bodies, it does not seem justified to automatically exclude them from operating in California. However, as a general principle, it appears to be inappropriate for publicly supported institutions of other states to duplicate the efforts of California-based institutions. A preliminary review of out-of-state institutions operating in California indicates that about one-third of the 25 known institutions are publicly supported.[38] The Commission should continue to collect information on such institutions, and should engage appropriate officials of "sending states" in discussions about the appropriateness of publicly supported institutions operating in California.

In some instances, California's publicly supported institutions are operating programs outside the State. For several years a few Community Colleges have operated extensive programs for servicemen at locations around the world, most centered in the Far East. These kinds of operations, which

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37. Nelson and Kaplin; Council of Graduate Schools Communicator (1976); Granat.

38. See Appendix I.

seem somewhat incongruous with the designation "community" college, are provided for in the Education Code.

> Contract With Federal Government to Provide Classes and Courses for Servicemen
>
> 25509.6. The governing board of any school district maintaining a community college may enter into a contract on a full-cost basis with the federal government or any agency of the federal government to provide community college courses and classes to persons in the military service of the United States at any military camp, post, installation, base, vessel, or locations, whether within or outside the district or the state. (Added by Statutes of 1971, Ch. 1153.)

The out-of-state operations of California Community Colleges are provided in conjunction with the "Servicemen's Opportunity College" (SOC). This is a network of about 250 colleges and universities from different parts of the country which have agreed to work together to meet the unique needs of a highly mobile, sometimes physically isolated military community. These institutions have agreed to make a special effort to meet the needs of military personnel through such policy and program commitments as: liberal admissions policies, flexible course scheduling, liberal allowance of credit for military training, flexible residency requirements, credit allowance for United States Armed Forces Institute correspondence courses, and convenient and appropriate counseling services. In California, 24 Community Colleges and one independent two-year institution, along with five independent four-year institutions, participate in the SOC program.[39] Two Community Colleges currently have out-of-state operations in conjunction with educational brokers.[40]

As long as programs are provided by the Community Colleges on the basis of full-cost contracts with the federal government, such out-of-state activity seems appropriate and useful in meeting the needs of military personnel. The largest of the out-of-state operations, the "Overseas Program" of Los Angeles Community College District, has programs at several locations in other states. Prior to establishing such programs the District consults with officials in the State concerned to determine if the program is already available there. If it is not, the District begins the program but agrees to leave if it should ever become available under the auspices of the host state.

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39. Seaton, p. 25; Servicemen's Opportunity College Catalog.

40. Los Angeles Community College District "Overseas Program" and Barstow College.

ADDENDUM

At the May 6, 1977 Conference on "The Role of Nonaccredited Contracting Agencies in California Postsecondary Education," which was held at the University Hilton Hotel in Los Angeles, the Senior Commission of the Western Association of Schools and Colleges (WASC) indicated that:

1. the WASC Advisory memorandum of February 24, 1977 was not intended to foreclose all possibility of contractual relations between institutions and educational brokers; rather

2. the WASC Advisory was intended to signal the advent of a moratorium on contractual relations until the Committee on Contractual Relations study had been completed.

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APPENDICES

APPENDIX A

FEDERATION OF REGIONAL ACCREDITING COMMISSIONS OF HIGHER EDUCATION

INTERIM GUIDELINES ON CONTRACTUAL RELATIONSHIPS WITH NON-REGIONALLY ACCREDITED ORGANIZATIONS

No postsecondary educational institution accredited by a regional institutional accrediting commission can lend the prestige or authority of its accreditation to authenticate courses or programs offered under contract with organizations not so accredited unless it demonstrates adherence to the following principles:

1. The primary purpose of offering such a course or program is educational. (Although the primary purpose of the offering must be educational, what ancillary purposes also provide the foundation for the program or course such as auxiliary services, anticipated income, and public relations?)

2. Any course offered must be consistent with the institution's educational purpose and objectives as they were at the time of the last evaluation. If the institution alters its purpose and objectives, the regional commission must be notified and the Federation policy on substantive change applied. (How does the institution define the specific relationship between the primary and ancillary purposes and the contracted service and how does it demonstrate its capability to attain these purposes?)

3. Courses to be offered and the value and level of their credit must be determined in accordance with established institutional procedures, and under the usual mechanisms of review.
(What evidence exists that established institutional procedures have been followed?)

4. Courses offered for credit must remain under the sole and direct control of the sponsoring accredited institution, which exercises ultimate and continuing responsibility for the performance of these functions as reflected in the contract, with provisions to assure that conduct of the courses meets the standards of its regular programs as disclosed fully in the institution's publications, especially as these pertain to:

   a. recruitment and counseling of students
   b. admission of students to courses and/or to the sponsoring institution where credit programs are pursued
   c. instruction in the courses
   d. evaluation of student progress
   e. record keeping
   f. tuition and/or fees charged, receipt and disbursement of funds, and refund policy
   g. appointment and validation of credentials of faculty teaching the course
   h. nature and location of courses
   i. instructional resources, such as the library

(Additional data needed would include course outlines, syllabi, copies of exams, records of students, and evidence of equivalencies with established programs.)

INTERIM GUIDELINES FOR
CONTRACTUAL ARRANGEMENTS

In establishing contractual arrangements with non-regionally accredited organizations, institutions are expected to utilize the following guidelines. The not-for-profit institution should establish that its tax exempt status, as governed by state or federal regulations, will not be affected by such contractual arrangements with a for-profit organization.

I. The Contract:

A. Should be executed only by duly designated officers of the institution and their counterparts in the contracting organization. While other faculty and administrative representatives will undoubtedly be involved in the contract negotiations, care should be taken to avoid implied or apparent power to execute the contract by unauthorized personnel.

B. Should establish a definite understanding between the institution and contractor regarding the work to be performed, the period of the agreement and the conditions under which any possible renewal or renegotiation of the contract would take place.

C. Should clearly vest the ultimate responsibility for the performance of the necessary control functions for the educational offering with the accredited institution granting credit for the offering. Such performance responsibility by the credit granting institution would minimally consist of adequate provisions for review and approval of work performed in each functional area by the contractor.

D. Should clearly establish the responsibilities of the institution and contractor regarding:

a. indirect costs
b. approval of salaries
c. equipment
d. subcontracts and travel
e. property ownership and accountability
f. inventions and patents
g. publications and copyrights
h. accounting records and audits
i. security
j. termination costs
k. tuition refund
l. student records
m. faculty facilities
n. safety regulations
o. insurance coverage

II. Enrollment Agreement

A. The enrollment agreement should clearly outline the obligations of both the institution and the student, and a copy of the enrollment agreement should be furnished to the student before any payment is made.

B. The institution should determine that each applicant is fully informed as to the nature of the obligation he is entering into and as to his responsibilities and his rights under the enrollment agreement before he signs it.

C. No enrollment agreement should be binding until it has been accepted by the authorities of the institution vested with this responsibility.

III. Tuition Policies

A. Rates

1. The total tuition for any specific given course should be the same for all persons at any given time. Group training contracts showing lower individual rates may be negotiated with business, industrial, or governmental agencies.

2. Tuition charges in courses should be bona fide, effective on specific dates, and applicable to all who enroll thereafter or are presently in school, provided the enrollment agreement so stipulates.

3. All extra charges and costs incidental to training should be revealed to the prospective student before he is enrolled.

4. The institution should show that the total tuition charges for each of its courses is reasonable in the light of the service to be rendered, the equipment to be furnished, and its operating costs.

B. Refunds and Cancellations

1. The institution should have a fair and equitable tuition refund and cancellation policy.

2. The institution should publish its tuition refund and cancellation policy in its catalog or other appropriate literature.

C. Collection Practices

1. Methods used by an institution in requesting or demanding payment should follow sound ethical business practices.

2. If promissory notes or contracts for tuition are sold or discounted to third parties by the institution, enrolees or their financial sponsors should be aware of this action.

IV. Student Recruitment

A. Advertising and Promotional Literature

1. All advertisements and promotional literature used should be truthful and avoid leaving any false, misleading or exaggerated impressions with respect to the school, its personnel, its courses and services, or the occupational opportunities for its graduates.

2. All advertising and promotional literature used should clearly indicate that education, and not employment, is being offered.

3. All advertising and promotional literature should include the correct name of the school. So-called "blind" advertisements are considered misleading and unethical.

B. Field Agents

1. An institution is responsible to its current and prospective students for the representations made by its field representatives (including agencies and other authorized persons or firms soliciting students), and therefore should select each of them with the utmost care, provide them with adequate training, and arrange for proper supervision of their work.

2. It is the responsibility of an institution to conform to the laws and regulations of each of the states in which it operates or solicits students, and in particular to see that each of its field representatives working in any such state is properly licensed or registered as required by the laws of the state.

3. If field representatives are authorized to prepare and/or run advertising, or to use promotional materials, the institution should accept full responsibility for the materials used and should approve any such in advance of their use.

4. When field representatives are authorized to collect money from an applicant for enrollment, they should leave with the applicant a receipt for the money collected and a copy of the enrollment agreement.

5. No field representative should use any title, such as "counselor," "advisor," or "registrar," that tends to indicate that his duties and responsibilities are other than they actually are.

6. No field agent should violate orally any of the standards applicable to advertising and promotional material.

* * * * * *

NOTE: Questions about these guidelines or requests for further information should be addressed to the office of the institution's regional accrediting commission.

Approved by the Council
March 14, 1973

APPENDIX B

Interim Statement on Contractual Relations with Non-Regionally Accredited Organizations (Senior Commission, WASC, February 1975)

The Senior Commission supports the extension of educational opportunities through the development of cooperative academic programs and courses between accredited and non-accredited institutions provided that the programs are adequately defined, are fair towards students, are developed through the regular processes of the home institution, and maintain academic integrity.

The Commission recognizes two kinds of arrangements involving such cooperative relationships: 1) degree and certificate programs which devolve from a prescribed pattern or group of courses, and 2) courses that are not necessarily part of a cooperative pattern or group but may be arranged on an individual basis and accepted as electives, general education, or applicable toward on-campus majors and certificates.

The following guidelines and definitions are set forth 1) to aid accredited post-secondary institutions in developing viable academic programs and courses that meet the above criteria, and 2) to formalize a process for approval of these programs by the Western Association.

Cooperative Programs

a. Cooperative Degree and Certificate Programs are defined as those offered through the combined educational resources of an accredited institution and a non-accredited organization which include 16 or more semester hours of academic work or its equivalent.

b. An accredited institution that is planning to offer a Cooperative Program for the first time must do so under the Substantive Change provision described in the current WASC Handbook of Accreditation. This means that the Cooperative Program should be neither open to students nor publicly announced until the Commission has taken action on the submitted program. Once the Commission has accepted without condition a proposal for a Cooperative Program for an institution, that institution may plan other Cooperative Programs of a similar nature without prior Commission approval.

An institution that has satisfactorily developed a Cooperative Program that is a certificate, not degree, program must comply with the Substantive Change provision should it later develop a Cooperative Program leading to a degree.

Even though an institution has satisfied the Commission on its ability to develop Cooperative Programs, it must inform the Commission of any new Cooperative Program before such a program is announced. The annual report may be used for this purpose.

c. The Cooperative Program should meaningfully combine educational strengths of both institutions. The academic contribution of the non-accredited institution should complement or supplement the accredited institution rather than provide a focus in new areas in which the accredited institution lacks academic competence.

d. The accredited institution should possess faculty and administrative resources adequate and assigned both to administer the Cooperative Program and to evaluate it on a regular basis.

e. Degrees, certificates, and courses to be offered and the level of credit or competence required for the successful completion of these must be determined in advance by the accredited institution in accordance with established institutional procedures and under the usual mechanisms for review.

f. The facilities and location of the facilities must be adequate for the Cooperative Program.

g. The accredited institution must have ultimate and continuing control of the Cooperative Program. This should include responsibility for performance of various control functions for the educational offerings, provisions for review and approval of the work performed by the cooperating institutions, and for student recruitment.

These guidelines are further expanded in the discussions of the Contract and Student Recruitment, which follows:

The Contract for the Cooperative Program

The Contract should be developed both to implement the above principles and to establish clearly the responsibilities of the respective institutions for fulfilling the Contract. The accredited institution should be represented in the contract negotiation both by legal counsel and by someone knowledgeable of the accreditation Handbook and process.

Following are the suggested components of a Contract for a Cooperative Program. Numbered items are essentially non-negotiable in any Contract for a Cooperative Program. Lettered items should be considered in developing such a Contract. This list is not meant to exclude other items which might be considered relevant to a Contract.

The following items are essential components of a Contract for Cooperative Program:

1. The Nature of the Cooperative Program

   A clear statement of the title, purpose, and degree or certificate to be offered by the Program.

   A statement to the effect that the accredited institution shall have ultimate and continuing control of the Cooperative Program.

2. Administration of the Cooperative Program

   A designation by the board of persons in charge of the Program and the method of appointment.

   The accredited institution must set the procedural guidelines to implement curricular policies as established through its institutional processes.

3. Admission

   The accredited institution must determine the eligibility of those to be admitted into the program as matriculating students.

4. Transfer of Credit

   The accredited institution must be ultimately responsible for evaluating previously earned credits that are submitted for transfer toward the Cooperative Program degree or certificate.

5. Continuing Evaluation of Students

   The accredited institution must have authority to establish criteria for evaluation of student progress and must be responsible for academic counseling.

6. Records

Responsibility for the registration process should be clear. A statement should make it clear how credits earned in the Cooperative Program from the non-accredited institution or agency will be listed on the transcript of the accredited institution.

The accredited institution must maintain current records information on all students in the Cooperative Program and have rights of access to such records at the non-accredited institution.

7. Financial Matters

The process for determining and collecting tuition and fees must be clear.

It must be stated that neither institution is allowed to discriminate against students in the Cooperative Program by charging them higher tuition or fees than those paid for similar services by those not in the Cooperative Program. If the Contract contains no formula that limits the increase of tuition and fees by the non-accredited institution, the accredited institution must have the right to veto tuition and fee increases. All charges incidental to the Cooperative Program, including refund policies, must be published, and students must be given this information before they register. The accredited institution must have access to financial records applicable to the contract and be able to demand an audit.

8. Curriculum

Curricular requirements must be established by the accredited institution in accordance with regular institutional procedures.

9. Instructional personnel at the non-accredited institution

Instructional personnel at the non-accredited institution teaching in the Cooperative Program must meet standards set by the accredited institution. The accredited institution must have the authority to prevent any faculty member at the non-accredited institution from teaching in the Cooperative Program. Procedures both for exercising this authority and for providing adequate review must be stated.

10. Advertising and Recruitment

The accredited institution must have the rights of prior review and veto for all advertising material concerning the Cooperative Program and right of dismissal for any person or agency employed to recruit students for the Cooperative Program. Catalogs or other official academic program publications of both institutions must include a description of the Cooperative Program including costs and refund policies.

11. Terms of Contract

12. Accreditation

It must be stated that any and all requirements imposed upon the Cooperative Program by the Accrediting Commission of the Western Association of Schools and Colleges must be met by both the accredited and the non-accredited institution.

13. Miscellaneous Legal Matters

The contract must specify which state or territorial laws govern the contract and prohibit assignment (i.e. transfer to another cooperating institution or agency) without prior consent.

14. Execution

The contract must be executed by duly authorized officals of the accredited institution and their counterparts in the non-accredited institution or agency.

The following items should be considered for inclusion in a contract for a Cooperative Program.

a. Transition. If there are periods during the Cooperative Program development or implementation when special policies will be in effect, these policies should be listed and the transition period delimited.

b. Student Services. It should be clearly stated what student services, if any, are available to students who are in the Cooperative Program, for example, health care, financial aid, counseling facilities.

c. Physical Facilities. Special provision for use or exchange of each institution's facilities in terms of arrangement, security, and charges should be stated.

d. Indemnity. An indemnity clause would specify how claims against both parties would be handled.

e. Termination of Contract. Time limits should be set for termination for cause; or, if allowed, unilateral termination.

Contractual Relations (continued)

f. Arbitration. To avoid potential costly lawsuits over minor points, a process for arbitrating disagreements over the intent of the contract might prove useful.

g. Miscellaneous. Among miscellaneous questions that might be considered are:

1) Will the non-accredited institution be bound by any or all catalog statements of the accredited institution?

2) Do students in the Cooperative Program have rights to instructional resources of both institutions, e.g., library, media equipment, etc.?

3) Who will own copyrights, patents, or inventions developed under the Cooperative Program?

4) Is either institution restrained from arranging competing Contractual Arrangements?

5) Are modifications, extension, and waiver of various contractual provisions to be agreed upon in writing by both parties? Must notice of such action be written and delivered by certified or registered mail?

Cooperative Courses

A Cooperative Course is defined as that offered for academic credit by an accredited institution for which instruction is provided by a person not on the institution's faculty or by a non-accredited organization. The Cooperative Course should be developed in accordance with the guidelines for Cooperative Programs, where applicable.

Although the Western Association of Schools and Colleges does not require a detailed contract or agreement for offering a Cooperative Course, the agreement must be in writing and should state:

a. The course and credit value;
b. The amount of time the course will meet;
c. The effective dates of the agreement;
d. Financial arrangements and when time payment is due;
e. Other obligations, if any, such as student advisement, grade deadlines, etc.
f. Indemnity provisions.

Contractual Relations (continued)

No Cooperative Course should be offered by an accredited institution unless academic standards of the accredited institution are maintained. A contract or agreement for teaching the course, the vita of the instructor or instructors for the course, and a course description must be on file at the accredited institution.

Student Recruitment

For any Cooperative Program or Course, the accredited institution will be responsible for maintaining high ethical standards for student recruitment. The following guidelines are presented to apprise the accredited institution of its obligations in monitoring student recruitment.

1. All advertisements and promotional literature used and all recruiting agents should be truthful and avoid leaving any false, misleading or exaggerated impressions with respect to the school, its personnel, its course and services, or the occupational opportunities for its graduates. Any mention of an "accredited program" either through mass advertisement or person-to-person must include the name of the accredited institution.

2. An institution is responsible to its current and prospective students for the representations made either by its own field representatives or by those of contracting agencies and other authorized persons or firms soliciting students.

3. It is the responsibility of the accredited institution to conform to the laws and regulations of each of the states in which it operates or solicits students, and in particular to see that each of its field representatives working in any such state is properly licensed or registered as required by the laws of the state.

APPENDIX C

WESTERN ASSOCIATION OF SCHOOLS AND COLLEGES

Accrediting Commission for Senior Colleges and Universities

BOX 9990, MILLS COLLEGE, OAKLAND, CALIFORNIA 94613

(415) 632-5000

July 16, 1976

MEMORANDUM

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University of Southern California

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TO Chief Executive Officers
Accreditation Liaison Officers
Regional Accrediting Commissions
Council on Postsecondary Accreditation
Agencies and individuals who have raised questions or filed complaints about contractual arrangements

FROM Kay J. Andersen KJA

SUBJECT Problems and Issues Associated with Contract Education

In March 1973, the Federation of Regional Accrediting Commissions of Higher Education adopted a policy on Contractual Relationships with Non-Regionally Accredited Organizations. This statement was revised by the Senior Commission at its February 1975 meeting. In August 1976, the regional secretaries will give consideration to the whole concept of contract education.

In a memorandum dated April 8, 1976, sent to all institutions, this Commission expressed concern about contractual arrangements and urged institutions to reexamine existing contracts and not to proceed with the development of new or additional contracts.

At its June 1976 meeting, the Commission expressed continuing concern over the quality of some programs offered through contract. It, therefore, appointed a Committee on Contract Education, which will examine all existing and proposed programs and contracts and make recommendations concerning the February 1975 policy. The Commission sees problems in awarding excessive academic credit for on-the-job training and life experiences, insufficient class contact and preparation hours per unit of credit, the accuracy of descriptions in institutional bulletins, the manner in which programs are approved, lack of on-campus faculty involvement, operational control exercised by the accredited institution in lending its accreditation to non-accredited organizations, financial arrangements, and the qualifications of faculty engaged by the non-accredited organization.

Further details about the functions and plans of the Committee on Contract Education will be shared with you in the near future. In the meantime, I am sure that you will wish to evaluate any such programs you now have.

KJA:cb

WESTERN ASSOCIATION OF SCHOOLS AND COLLEGES

Accrediting Commission for Senior Colleges and Universities

BOX 9990, MILLS COLLEGE, OAKLAND, CALIFORNIA 94613

(415) 632-5000

February 24, 1977

OFFICERS

Chairman
SISTER CECILIA LOUISE MOORE
Mount Saint Mary's College

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Danforth Foundation

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STERLING M. McMURRIN
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California State University and Colleges

E.K. WILLIAMS
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University of Redlands

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EVELYN M. THORNE
Administrative Secretary

CHRISTINE BYRON
Clerical Secretary

MEMORANDUM

TO Accredited and Candidate Institutions

FROM Kay J. Andersen KJa

SUBJECT Advisory on Contractual Relationships

In 1975 the Senior Commission adopted a policy on "Contractual Relations with Non-Accredited Institutions." The intent was to acknowledge that, under certain circumstances, contractual relationships might enrich the resources available to institutions in carrying out their educational purposes.

Subsequently, there has been an unforeseen rapid development of contracts, with outside agencies established apparently for the purpose of providing contractual instructional services. The number of students who may be awarded institutional credit and/or degrees through programs serviced by and under de facto control by such agencies could, in some cases, exceed the number of students in the home accredited institution. The home institution is thus extending or awarding its own accreditation to the contracting organization or institution which is not readily subject to full review by the Commission.

In view of these developments, the Commission recently appointed a Committee on Contracts. The Committee and the Commission are considering a major revision or possible revocation of the 1975 policy on contractual relations. Such a proposal will be presented for discussion to the Liaison Officers in September 1977 and scheduled for action by the Commission in November 1977.

Meanwhile the Commission advises accredited and candidate institutions to anticipate the likelihood of a significant change in policy. It further suggests that, with reference

to contracts for instructional services, institutions:

1. refrain from entering into new contracts at least until after November 1977;

2. limit the extension or renewal of existing contracts, where early renewals are anticipated;

3. consider ways and means which could be used to phase out existing contracts with the least possible adverse impact on all concerned.

KJA:cb
cc: Regional Secretaries
Glenn Dumke
David Halliburton
Fujio Matsuda
John Peterson
John Proffitt
Wilson Riles
David Saxon
Craig Seaton
Kenneth Young
Sister Cecilia Louise Moore

APPENDIX E

1. Please list the institutions you represent by their respective programs (area of study and degree or non-degree), along with the general types of services you provide.

INSTITUTION AND STATE	PROGRAM	YEAR ESTABLISHED	NUMBER OF LOCATIONS

SERVICES PROVIDED
(Check all appropriate services)

STUDENT RECRUITMENT	RECORDS PROCESSING	FACULTY RECRUITMENT	PROGRAM DEVELOPMENT	PROGRAM & FACULTY REVIEW RESPON.	OTHER

E-1

2. Please list degree and enrollment statistics as requested below for your operations in California.*

	1975-76	1974-75	1973-74
Total Enrollments for credit in all programs	_____	_____	_____
Total Noncredit Enrollments in all programs	_____	_____	_____
Total Degrees granted by Type: B.A.	_____	_____	_____
Masters	_____	_____	_____
Doctorate	_____	_____	_____

* Please include data reflecting activity of California institutions outside of the State. If possible, please show out of state activity separately.

3. What is the program format followed in the different institutional programs you service? (e.g.--intensive term, semester, or quarter of regular classroom instruction, cluster group, self-paced learning, tutorial, etc.)

INSTITUTION	PROGRAM	FORMAT DESCRIPTION

E-2

4. How many full-time employees are there in your organization?_____ How many of these work in activities related to your California programs? (including out of state operations of California programs)_____

5. How many part-time employees are there in your organization? (excluding faculty members not engaged in providing organizational services)_____. How many of these work in activities related to your California programs? (including out of state operations of California programs)_____.

6. Please list the names, addresses, and phone numbers of any other organizations similar to your own that you are aware of.

7. Please indicate the total revenues earned by your organization through providing services to California institutions, and by representing out of state institutions in California:

under $100,000	100,000-499,999	500,000-999,999	1,000,000-1,499,999	1,500,000-1,999,999	2,000,000-2,499,999	2,500,000-2,999,999	3,000,000-3,499,999	3,500,000-3,999,999	4,000,000-4,499,999

4,500,000 or above

8. What is the approximate percentage of total organization revenues generated by providing educational brokerage services?_____

9. What other kinds of services or products generate revenue for your organization?

10. Do you feel that a need exists for some type of licensing or monitoring of educational brokers?

11. If your answer to item 10 was in the affirmative, what would be the appropriate means to accomplish licensing and/or monitoring? What agency should have this responsibility?

12. Please provide the following information about the contractual relationships which are <u>typical</u> between your organization and institutions you represent:

The <u>usual</u> length of the contract is for ___ ___ ___ ___ ___ ___ YEARS
1 2 3 4 5 (Other)_____

13. The usual financial relationship calls for: (a) the institution to receive approximately _____ percent of the total revenues generated; (b) this organization to receive approximately _____ dollars per student; other _____

14. The primary reasons institutions have chosen to utilize the services of this organization include:

15. Do you feel that increasing numbers of organizations will be entering this field? Why or why not?

16. Do you feel that institutions will begin to develop their own internal capability to perform the functions you currently perform for them? Why or why not?

E-4

17. Briefly describe the history of your organization (when begun, whether it evolved from governmentally funded projects, area of the country, rationale for its formation, background of principals, growth, diversification, plans for the future, etc.)

APPENDIX F

1. Please complete the following concerning organizations which represent your institution by providing one or more of the services listed below in (b).

(a) Organization(s) and state(s) in which they represent you	Program	Year Established	Number of Locations

(b) Please check all appropriate services:

Student recruitment_____ Records processing____ Faculty recruitment*____ Program Development*____

Program & Faculty review responsibilities*____

F-1

2. Please list degree and enrollment statistics as requested below:

	1975-76	% via brokers	1974-75	% via brokers	1973-74	% via brokers
Total enrollments for credit in all programs	_____	_____	_____	_____	_____	_____
Total noncredit enrollments in all programs	_____	_____	_____	_____	_____	_____
Total degrees granted by type: BA	_____	_____	_____	_____	_____	_____
Masters	_____	_____	_____	_____	_____	_____
Doctorate	_____	_____	_____	_____	_____	_____

*Checking these particular services does not imply control of these areas by the contracting organization

3. What is the program format followed in the different institutional programs operated in conjunction with contracting organizations?(e.g.--intensive terms, program schedule the same as oncampus programs, cluster group, self-paced learning, tutorial, etc.)

Program type	Organization	Format description

4. Please describe the internal review and monitoring process of your institution in the establishment and operating of educational programs in conjunction with educational brokers.

E-2

5. During the past fiscal year, what percentage of institutional income from all educational sources was derived from programs operated in conjunction with educational brokers?

6. The financial relationship between this institution and educational brokers calls for:
(a) the institution to receive approximately _____ percent of the total revenues generated
(b) other_____

_____

7. Please provide the following information about the contractual relationships which are typical between your institution and contracting organizations.
The usual length of the contract is for _____ years

other_____

F-3

8. The primary reasons your institution has chosen to utilize the services of a contracting organization include:

9. Do you feel that increasing numbers of institutions will be developing these kinds of contractual relationships? Why or why not?

10. Do you feel that your institution has, or will have in the near future, the capability to perform the functions currently provided by contracting organizations?

11. Please briefly describe the history and development of your institutions programs in conjunction with educational brokers, and your plans for the future.

F-4

APPENDIX G

CHAPTER 3 OF DIVISION 21 OF PART I OF TITLE 5 OF THE CALIFORNIA ADMINISTRATIVE CODE

CHAPTER 3. PERMITS FOR SALESMEN OF PRIVATELY CONDUCTED CORRESPONDENCE AND RESIDENT COURSES

Article 1. General Provisions

19270. Applicability. The provisions of this chapter apply to any person who, either on his own behalf or as a representative of any privately conducted correspondence or resident school or of any private person, firm, association, partnership, or corporation whatever, shall by personal contact in California solicit the sale of or solicit and sell any correspondence or resident course of study for remuneration or other consideration or who proposes to engage in the activities of soliciting or selling such a course with respect to a correspondence school or correspondence course at any location or at a place away from the instructional site of the resident school. This provision shall also apply to schools meeting the requirements of Education Code Section 29023(d).

19271. Definitions. As used in Education Code Sections 29026 and 29026.5 and in this article, the following terms have the meaning specified in this section:

(a) Bond. Bond means a $1,000 surety bond.

(b) Calendar Year. Calendar year means the period January 1 through December 31 of any given year.

(c) Personal Contact. Personal Contact means face-to-face communication.

(d) Correspondence School. Correspondence school means any person, firm, association, partnership or corporation which provides, for a consideration instruction in any field, through the medium of correspondence between the pupil and the person, firm, association, partnership or corporation.

(e) Resident School. Resident school means any person, firm association, partnership or corporation which provides, for a consideration, instruction in any field, through the medium of resident classroom instruction, or through instructional supervision between the pupil and the person, firm, association, partnership or corporation.

(f) Applicant. An applicant is a person who on his own behalf, or on whose behalf, another person, firm, association, partnership, or corporation, has filed an application, for a permit described in Education Code Sections 29026 or 29026.5.

(g) Correspondence Course. Correspondence course means any course, series of studies, or program of instruction offered for sale or sold by a correspondence school.

(h) Resident Course. Resident course means any course, series of studies, or program of instruction offered for sale or sold by a resident school.

(i) Bureau. Bureau means the Bureau of School Approvals, State Department of Education.

(j) Board. Board means the State Board of Education.

(k) A Place Away From the Instructional Site. A place away from the instructional site means any physical location not within the campus of the school or the administrative offices of the school, which address shall be the same as the address which has been submitted by the school to the Bureau of School Approvals as the principal office for the transaction of business of the school.

19272. Form of Initial Application for a Permit. An application for a permit to solicit the sale of or sell correspondence or resident courses of study under the provisions of Education Code Sections 29026 and 29026.5, shall be made on the application forms provided by the Bureau and shall be delivered to the Bureau, or if mailed postmarked, not later than December 15th of the calendar year for which the permit is requested. The application shall include the following information, documents, and fees, and such other information as shall be prescribed on the application forms:

(a) The name, current address, and telephone number of the applicant.

(b) Where applicable, the name and address of the correspondence or resident school represented.

(c) The name and address of persons or firms by whom the applicant has been employed over the past five years.

(d) The names and addresses of five persons, other than relatives or associates, who are in a position to certify as to the character of the applicant.

(e) Current copies of contracts and sales agreements, advertising, circulars, and promotional letters distributed to prospective pupils in the solicitation for the sale or the sale of correspondence or resident courses.

(f) The following items shall be included with the application:

(1) Two 1 1/2" x 2" photographs of the applicant taken within the past calendar year.

(2) Duplicate applicant fingerprint cards provided by the Bureau of School Approvals upon which appear legible fingerprints and a personal description of the applicant. The fingerprints of the applicant may be taken only by a qualified law enforcement agency or a qualified governmental agency who shall enter or cause to be entered, in the spaces provided therefor, the name of the applicant and such other means of identification as are required by the personal identification cards. The person taking such fingerprints shall affix his signature upon the fingerprint cards and shall enter, or cause to be entered, in the spaces provided therefor, the date thereof, and the place, including the name of the agency, where such fingerprints were taken. The applicant shall affix his signature upon the fingerprint cards and shall enter, or cause to be entered, his name and address and other information requested in the spaces provided therefor.

(3) A fee of twenty dollars ($20.00) in the form of a money order, cashier's check, or certified check payable to the State Department of Education.

(4) A surety bond on a form approved by the Attorney General and provided by the Bureau in the penal sum of one thousand dollars ($1,000).

19273. Renewal Applications. An application for renewal of a permit to solicit the sale of or sell correspondence or resident courses of study under the provisions of Education Code Sections 29026 and 29026.5 shall be made in writing on the application form provided by the Bureau, and shall be delivered to the Bureau not later than, or if mailed postmarked not later than, December thirty-first of the calendar year of the unexpired permit. The application shall include, among other things, the following information, documents and fees:

(a) The name, current address, and telephone number of the applicant.

(b) Where applicable, the name and address of the correspondence or resident school.

(c) Current copies of contracts and sales agreements, advertising, circulars, and promotional letters distributed to prospective pupils in the solicitation for the sale, or the sale of the correspondence courses.

(d) The following items will also be included with the application:

(1) Two 1 1/2" x 2" photographs of the applicant taken within the past calendar year.

(2) A fee of fifteen dollars ($15.00) in the form of a money order, cashier's check, or certified check payable to the State Department of Education.

(3) A surety bond on a form approved by the Attorney General and provided by the Bureau in the penal sum of one thousand dollars ($1,000).

19274. Place of Filing. An applicant for a permit may secure the application forms from the Bureau of School Approvals, State Department of Education, 721 Capitol Mall, Sacramento, California 95814.

(a) All correspondence schools and out-of-state resident schools shall file such applications with the Bureau office in Sacramento.

(b) Resident school applicants, whose schools are located within the State of California, and near Los Angeles, may file such applications with the Bureau of School Approvals, 601 West 5th Street, Los Angeles, California 90017.

19276. Issuance of Permits. The State Board of Education delegates its authority for the issuance of the sales permit to the Superintendent of Public Instruction.

After a review of the application and evidence submitted and determination by the Bureau that the applicant qualifies for a permit, the Bureau shall issue the permit by affixing thereto a facsimile signature of the Superintendent of Public Instruction, countersigned by the Chief, Bureau of School Approvals.

As permits are issued during a calendar year, the Bureau shall make and keep current a file of the names of the individuals to whom the Superintendent of Public Instruction has issued a permit during that year and the name of the correspondence or resident school which each permittee represents. At any time that the Board shall so direct, the Bureau shall prepare from the file a current list of permittees and the correspondence or resident schools they represent and shall include the current list in an agenda of the Board.

19277. Possession of Permit. (a) Permits issued by the Board are not transferable.

(b) When the person to whom the permit is issued is no longer employed by the correspondence or resident school in the capacity for which the permit was issued, the permit shall be returned to the Board in care of the Bureau where it will be held until the expiration date, or until the person is again employed by the same correspondence or resident school prior to the date of expiration.

(c) Upon revocation, the permit shall be returned to the Board in care of the Bureau.

19278. Grounds for Denial of Issuance of Permit. (a) The Board may deny an application for a permit made by any applicant who:

(1) Submits an incomplete application or has not supplied all information which the Board has requested.

(2) Fails or refuses to furnish reasonable evidence of identification or good moral character.

(3) Has intentionally practiced or attempted to practice any material deception or fraud in his application.

(4) Has plead guilty to or has been found guilty of a crime involving moral turpitude or has entered a plea of nolo contendere to a charge thereof unless evidence of rehabilitation satisfactory to the Board is submitted. Currently effective court imposed probation resulting from such charges shall be prima facie evidence of lack of rehabilitation.

(5) Has had a license or permit to solicit and sell any correspondence or resident course revoked under this section or under similar provisions of law of any other state.

(b) Any ground for revocation or suspension of a permit is grounds for denial by the Board of such permit.

19281. Procedure Preliminary to Hearing and Hearing. (a) All hearings on appeal from a denial of a permit or for revocation or suspension of a permit shall be conducted in the manner provided by the Administrative Procedure Act (Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code).

(b) A statement of issues filed with the Board pursuant to Section 11504 of the Government Code against an applicant for a permit shall be deemed filed with the Board when received by the Secretary of the Board.

(c) Each case shall be heard by the hearing officer sitting alone, except that the secretary of the Board shall present to the Board for determination as to whether the Board should hear the case with the hearing officer any case which in his judgment should be referred to the Board for such determination.

(d) Except as otherwise herein provided, the secretary of the Board is hereby empowered and authorized to take, in the name and on behalf of the Board any action which the Board is authorized or directed by law to take with respect to procedural and jurisdictional matters in connection with any case arising under Sections 29026 and 29026.5 of the Education Code. The secretary of the Board shall refer to the Board for determination any matter which in his judgment should be so referred.

DIVISION 21: PRIVATE EDUCATION INSTITUTIONS

PERMITS FOR SALESMEN OF PRIVATELY CONDUCTED RESIDENT COURSES

SECTION 29026.5

No person, either on his own behalf or as the representative of any privately conducted resident school located within or outside of California or of any private person, firm, association, partnership or corporation whatever, shall, by personal contact with any person in California at a place away from the instructional site of the school, solicit or sell enrollment in any course of study leading to an educational, technological, professional, or vocational objective beyond high school, to or for adults, for a remuneration or other consideration to be provided for such course unless he holds a valid permit to engage in such activity issued by the State Board of Education. The State Board of Education may delegate its authority to issue such permit to the State Superintendent of Public Instruction.

The State Board of Education, or the State Superintendent of Public Instruction, if such authority has been delegated by the State Board of Education, shall promptly cause to be prepared, and shall, pursuant to this section, issue appropriate permits authorizing the holder to engage in the solicitation of sales and the selling of such courses of study away from the premises of the school.

No person shall be issued a permit except upon the submission of satisfactory evidence of good moral character.

A permit shall be valid for the calendar year in which it is issued unless sooner revoked or suspended by the State Board of Education for fraud or misrepresentation in connection with the solicitation for the sale or the sale of any course of study, or for the existence of any condition in respect to the permittee or the school he represents which, if in existence at the time the permit was issued would have been ground for denial of the permit.

The application for a permit shall be made by the person who proposes to engage in the activities of soliciting or selling in those cases where such activities are to be conducted in the person's own behalf. Where the person for whom the issuance of a permit is sought is to engage in the activities as a representative, the application shall be made by the school or other person, firm, association, partnership, or corporation for and on behalf of the person to serve as its representative. Applications shall be submitted on forms to be furnished by the Department of Education. The original application, renewal applications when renewed on a continuous basis, and applications for additional sales permits shall be accompanied by an application fee in an amount established pursuant to subdivision (f) of Section 29027. Fees required by this section are hereby appropriated in augmentation of the appropriation for support of the Department of Education current at the date of issuance of the State Controller's receipt thereof as may be designated by the Department of Education prior to their deposit in the State Treasury and shall be nonrefundable irrespective of whether or not a permit is subsequently issued.

The application shall be accompanied by a bond executed by good and sufficient sureties making provision for full indemnification of any person for any material loss suffered as a result of any fraud or misrepresentation used in connection with the solicitation for the sale or the sale of any course of study. The term of the

bond shall extend over the period of the permit. The bond may be supplied by the school or other person, firm, association, partnership, or corporation, or by the person for whom issuance of the permit is sought, and may extend to cover either an individual such person or to provide blanket coverage to all persons to be engaged as representatives of a school or other person, firm, association, partnership or corporation in the solicitation for sale or the sale of courses of study in California. Any bond shall provide for liability in the penal sum of one thousand dollars ($1,000) for each representative to whom coverage is extended by its terms. Neither the principal nor surety on a bond may terminate the coverage of the bond except upon giving 30 days' prior written notice to the State Board of Education.

The permittee shall carry the permit with him for identification purposes when engaged in the solicitation of sales and the selling of courses of study away from the premises of the school.

Any contract for or in connection with a course of study with a school, or representative thereof, shall be voidable at the option of the purchaser if the representative of any person selling or administering such course of study, or the representative of such firm, association, partnership or corporation was not the holder of a permit as required by this section at the time that such representative negotiated the contract for or sold such course.

The judgment rendered in any action maintained for any material loss suffered as a result of any fraud or misrepresentation used in connection with the solicitation for the sale or the sale of any course of study away from the premises of the school shall, if the plaintiff is the prevailing party, include court costs including a reasonable attorney's fee fixed by the court.

The provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code shall be applicable to any determination of the State Board of Education made pursuant to this section.

The issuance of a permit pursuant to this section shall not be interpreted as, and it shall be unlawful for any individual holding any such permit to expressly or impliedly represent by any means whatever that the Superintendent of Public Instruction, the State Board of Education, or the State Department of Education has made, any evaluation, recognition, accreditation or endorsement of any course of study being offered for sale by the individual.

It shall be unlawful for any individual holding a permit under this section to expressly or impliedly represent by any means whatever that the issuance of the permit constitutes an assurance by the Superintendent of Public Instruction, the State Board of Education, or the State Department of Education that any correspondence course of study being offered for sale by the individual will provide and require of the student a course of education or training necessary to reach a professional, educational, or vocational objective, or will result in employment or personal earnings for the student.

The issuance of a permit under this section, and the possession thereof, by an individual, shall be evidence only that the surety bond prescribed by this section has been issued with respect to the possessor and that he has submitted satisfactory evidence of good moral character.

APPENDIX H

Educational Brokers (Contracting Agents)

1. Academic Overtures
   Hilton Tower, 150 S. Los Robles
   Pasadena, California 91101 (213) 577-1260

2. The Center for Continuing Education (916) 920-2483
   P.O. Box 13032
   Sacramento, California 95813

3. Continuing Education Corporation
   17291 Irvine Boulevard, Suite 262
   Tustin, California 92689 (714) 832-8185

4. External Degree Services
   P.O. Box 24265
   San Jose, California 95154 (408) 629-8149

5. Foundation for Educational Services
   520 South LaFayette Park Place
   Los Angeles, California 90057 (213) 385-2891

6. The Institute for Professional Development
   696 Trimble Road
   San Jose, California 95131 (408) 262-8500

7. International Education Foundation
   3550 Wilshire Boulevard
   Los Angeles, California 90010 (213) 389-3131

8. Modulearn, Incorporated
   32158 Camino Capistrano
   P.O. Box 635
   San Juan Capistrano, CA 92675 (714) 493-8122

9. Rockport Management Corporation
   12812 Garden Grove Boulevard, Suite O
   Garden Grove, California 92643 (714) 537-7045

10. West Bristow Consultants
426 Via Corta, Suite 300
P.O. Box 232
Palos Verdes Estates, CA 90274 (213) 373-6857

11. Western Management Institute
c/o St. Mary's College
Moraga, California 94575 (415) 376-1330

APPENDIX I

Out-of-State Institutions Known To Be Operating in California

1. Antioch College (Ohio)
2. Brandeis University (Massachusetts)
3. Brigham Young University (Utah)
4. Columbia College (Missouri)
5. Goddard College (Vermont)
6. Florida Atlantic University
7. Lindenwood College (Missouri)
8. Marywood College (Pennsylvania)
9. McPherson College (Kansas)
10. Nova University (Florida)
11. Empire State College (New York)
12. Rocky Mountain College (Montana)
13. Southern Illinois University (Carbondale, Illinois)
14. Southern Illinois University (Edwardsville, Illinois)
15. St. Francis College (Pennsylvania)
16. St. Joseph's College (Maine)
17. St. Thomas College (Minnesota)
18. Texas Technical University (Texas)
19. Troy State University (Alabama)
20. University of Montana (Montana)
21. University of Northern Colorado (Colorado)

Out-of-State Institutions Known To Be
Operating in California

22. University of Oklahoma (Oklahoma)

23. Upper Iowa University (Iowa)

24. Yeshiva University (New York)

EDUCATIONAL BROKERING

IN

CALIFORNIA

II. Proceedings of the Conference,

"The Role of Nonaccredited Contracting Agencies in California Postsecondary Education"

Los Angeles
May 6, 1977

California Postsecondary Education Commission
and
The Center for Teaching and Learning,
Stanford University

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FOREWORD TO THE PROCEEDINGS

On May 6, 1977 the California Postsecondary Education Commission and the Center for Teaching and Learning (Stanford University) cosponsored a one day conference on educational brokering, "The Role of Nonaccredited Contracting Agencies in California Postsecondary Education."* The Center, with funds provided by the Danforth Foundation, provided the principal support for the conference, including videotaping all sessions. The Commission contributed professional staff effort and the background paper which was mailed to all preregistrants.

The proceedings of the conference provide, we believe, a rich source of firsthand viewpoints, reflections and insights on this form of enterprise. This meeting was a significant event because, for the first time it brought together representatives of institutions, governmental agencies, the Senior Commission of the Western Association of Schools and Colleges, educational brokers, and other interested parties, to discuss several kinds of educational brokering. We believe the issues addressed here have implications for institutions, students, brokers, and accrediting associations in other parts of the nation, as well as in California.

*It should be noted that the term "educational broker" has been used by others to denote a very different kind of activity, one in which the primary client is the student. The term, however, seems appropriate to the type of activity discussed in the paper and again at the Conference, so the designation has been retained. See page 1 of the proceedings for an operational definition.

INTRODUCTION TO THE CONFERENCE

Dr. Craig E. Seaton

One of the things that I want to say as we begin our conference today is that we hope the presentations are not going to, in effect, stand by themselves, and I don't think they will. We've brought together a diverse group and I think the nature of the Conference and constituencies brought together here will assure a great deal of interaction. We anticipate that you will want to respond to presentations and comments of others in the audience, and we have provided an opportunity at the conclusion of each presentation for you to participate from the audience. That's why we have this microphone over here. We would like you not to sit at your seat or raise your hand and speak, but rather to come to this microphone.

I believe that our time together here will be significant; it's the first time any place in the country that a group of people composed of brokers, institutional representatives, representatives of a regional accrediting body and other interested parties have been brought together to discuss educational brokering.

The purpose of today's Conference is really two-fold. The first purpose is the one which is the most obvious and which has succeeded already; that is, to bring you here together to have some dialogue. The second purpose is one which is a more educative kind of function for those of us on the Commission and the Commission staff. We've done a background paper which you've had an opportunity to receive prior to the Conference. That paper, and the experience we've had in talking with many of you, along with this Conference, is going to provide a basis for members of the Ad Hoc Committee on Lifelong Learning, and Commission staff to determine whether or not there's a role for the Commission in this particular development. The Commission is involved in this particular topic because of the extensive mandate we have to be involved in almost everything related to post-high school education. The Commission is to serve as a clearinghouse for information concerning postsecondary education, to be involved in comprehensive statewide planning, to evaluate all of postsecondary education, and, ultimately, to try and coordinate all the resources that are out there to better serve the citizens of the State.

Several months ago I attended a conference, I believe it was in Berkeley, where a colleague from the State University and Colleges coined a phrase that I thought was beautiful. I'm going to borrow that without giving him direct credit for it, in terms of describing what I think this Conference can be. He talked about something serving as a, "control tower for flights of rhetoric." I think that was a great phrase and

hopefully this Conference can serve that function--that of being a "control tower for flights of rhetoric" as it relates to educational brokering. It's not our intent to review the background or the content of the paper since I think you've all been exposed to that. But I do want to mention in passing a little about the history of educational brokering in this country; and I can only mention a little bit, because nobody seems to know much more about it. It seems to be a child of the 1970s. In trying to find a beginning to educational brokering, we talked with a variety of federal, state, and local officials in a variety of places, and the earliest recognition of what we might call educational brokering that we could identify related back to some events that led to the development of the 1973 FRACHE guidelines on contractual relationships. This goes back to Wisconsin, where Dominican College and Stride Corporation developed contractual relations in the very early 70s. Ultimately, Stride and Dominican went out of business. I understand that HEW is currently involved in litigation relative to their relationship and the provision of services to students who utilized government loan programs.

The instance that most people have heard about when we talk about contracting relationships is one which received a good deal of attention in the Chronicle of Higher Education about a year and one-half ago, and this is the relation between Elba Systems and Northwest Missouri State University. You probably know, if you followed the Chronicle accounts, that this relationship no longer exists. In our conversations with some of the people who were a part of that relationship, they have indicated to us that Elba no longer exists as a company--they've spread out in a variety of directions and have done different kinds of things. One company that's an off-shoot produces educational materials they developed in the course of their previous operations. A couple of others have gone out on their own to establish their own companies, one of which is still based in Denver.

Getting away from such a negative note, I think there's something more positive that's recently gotten some national coverage, this is the Washington Center for Learning Alternatives in Washington, D.C. In about the third issue back in the Chronicle of Higher Education there was a big, full-page article that dealt with that. Many people might not classify the Washington Center as they would Elba or Stride, but in terms of the definition that we have adopted, the operational definition of educational brokering presented in the background paper, in fact it is. The Washington Center provides internships in public service agencies, government agencies, provides housing, provides seminars for the students that are there from about 75 different institutions, it evaluates the student's performance, and it recommends the credit which the student should receive back at the home institution. This is being viewed much more positively than some other efforts, and I think we ought to look at this topic in the broadest perspective. In fact, one of the concerns we had in putting together the Conference was that one of the achievements might be that people would become aware of the diversity

that falls under the heading of what we have come to call "educational brokering." I think this Washington Center highlights the kind of thing many people would like to see occur more widely.

There are a variety of efforts that are going on concurrently with that of WASC and the Commission which do not deal with educational brokering but with peripheral kinds of issues, such as external degrees and credit for life experience. The Council of Graduate Schools has a subcommittee that is doing a study on the proliferation of nonresidential degrees. The Council of Graduate Schools and COPA has a joint task force treating the same area. I understand that the Kellogg Foundation recently funded COPA's new project that will seek to develop evaluative criteria for accrediting nontraditional programs. The Educational Commission of the States recently concluded a task force on military education, dealing with many of these very same issues. I mention this to point out that the issues are being considered by a variety of people and in a variety of places.

In putting together our program today, we felt that we needed to have someone come here that could bring a national perspective to the issue that could be helpful to us to begin the day. In attending a conference in Denver last December, I met Ken Young, President of the Council on Postsecondary Accreditation (COPA). Ken was dealing with a topic that was related to the concerns of this Conference today. We talked about the possibility of his coming and making a presentation which would give us a national perspective on this issue. He agreed to come, for which we're grateful and he'll come and speak shortly. I'd like to mention just a little bit about Ken. We're not going to have a lot of long introductions of speakers generally, but I thought it would be important for you to understand that though Ken is currently located in Washington, D.C., he is sort of a Californian and has a feel for what the issues are here in the State. Ken received degrees from San Francisco State and Stanford. He's been on faculties in California and in other places as well. He has served as a dean; he has served as a president in the State University of New York system; he was a vice president of the American College Testing Service, and has been president of COPA for a number of years. I have asked Ken to put in a brief "plug" for COPA at the beginning of his presentation, because I think many of us understand only that it's an umbrella organization that brings together the regional and professional accrediting bodies. By getting a better feeling for what it is and does, you might better appreciate the perspective that Ken brings today. And so with that as a brief introduction, Ken, would you come speak to us please?

Dr. Kenneth Young
President
Council on Postsecondary
Accreditation

Good morning. I want to thank David Halliburton and Craig Seaton for inviting me this morning. I want to stress immediately that I do not come here as an expert on the subject of educational brokering and contractual relationships. Most of you know the best way to learn a subject is to have to teach it and when this opportunity was presented to me I decided to accept because I knew that I was going to have to start learning as much as I could about the subject that obviously is an important phenomenon and a relatively new phenomenon, and a somewhat troubling phenomenon. So I come here to show my ignorance to a large extent, and to some extent share some recent information and insights, but I will accept Craig's kind offer to tell you something about COPA--I'm always glad to talk about COPA. First of all, most people never have heard of COPA. I was on the program at a meeting recently and overheard two people talking in the lobby before the session--they were looking at the program and one guy said, "What the heck is a COPA?" And the other guy said, "I think it's a defunct nightclub in New York." Someone came up to me the other day and said that when they first heard the phrase they thought it made reference to an Italian tranquilizer. COPA is the Council on Postsecondary Accreditation. We're one of the few organizations in the country that use the term "postsecondary" as does the California Postsecondary Education Commission, and I'll talk a little bit more about the significance of that a little later on in my presentation. COPA came into being in January 1975 as a result of a merger between two long-standing organizations. The first was the National Commission on Accreditation, a body formed about 25 years ago by major institutions of higher education in this country in order to deal with professional and specialized accreditation. The other organization was the Federation of Regional Accrediting Commissions on Higher Education, or FRACHE, which was also an organization that had roots that go back for about 25 years--an organization that brought together the various regional accrediting associations in this country that accredit institutions of higher education. You have one organization organized by institutions and concerned with really, putting some kind of a lid on accreditation, particularly with regard to specialized accreditation. The other group was organized by the accrediting bodies themselves and interested in advancing the interests of accreditation, and making it a more effective kind of process. To bring these two together took a number of years. It finally culminated in a merger as I said in January 1975; they agreed on the new name of COPA and also at that time agreed to reach out and bring into the organization some other kinds of accrediting organizations who were on the scene, particularly those dealing with specialized institutions, such as the Bible colleges, business schools, particularly the proprietary business schools, the

National Association of Trade and Technical Schools and the National Home Study Council. So what we have in COPA is an organization that embraces all of postsecondary accreditation in the United States. We're dealing with about 55 different accrediting organizations--regional, and national, institutional and programmatic. Those accrediting organizations in turn are working with about 4,000 institutions and these institutions are graduate level, baccalaureate, associate degree, non-degree, public, private, proprietary, vocational, academic, free-standing professional--almost any kind of institution that you can think of. We have a very large board of 36 members, including some very distinguished Californians--Glenn Dumke, the Chancellor of the California State University and Colleges, is a member of our board; Steward Marsee and Reed Buffington, who are Community College presidents in California; Louie Heilbron, who is a distinguished attorney in San Francisco and formerly a member of the Board of Trustees of the State University and Colleges System; and we are very pleased to have them on our board. We have nine public members on our board, including two former governors, a current legislator, and a number of other distinguished citizens. COPA's job is to try to bring order and value to the accrediting process at the postsecondary level in the United States and to represent the interest of accreditation, not just accrediting organizations, but rather the interests of all parties involved in accreditation. Therefore, we're dealing with federal government and with state governments and we're speaking out on behalf of accreditation.

We have a major responsibility which we have yet to effectively address, to explain to the many publics and the many users of accreditation exactly what accreditation is, how it should be used, and what its limitations are--there's a tremendous ignorance on the subject, we're discovering. So, that's the subject of another speech--I'd be glad to come back and give it sometime if you like. If you have any questions on COPA--what we do and why we do it--I'd be happy to try to answer them for you later, but let's get on to the topic of the day--the world of nonaccredited contracting agencies of postsecondary education.

First, let me give you a little historical perspective. In the early years, a great deal of education, including that at the postsecondary level, was acquired away from institutions of higher education; in fact, much education was primarily acquired through apprenticeships even at the postsecondary professional level. Doctors became doctors by apprenticing with other doctors, as did lawyers and other professionals. Educational credentials were not generally required as entrees to employment. As an example of the light regard in which educational credentials were held in the very early years--Harvard for many years allowed its graduates to acquire the master's degree by waiting a reasonable period of time after they acquired the baccalaureate degree, then by writing in and paying a fee and then the degree was mailed to them--that's all that was required. In due time, however, educational institutions, particularly at the postsecondary level gradually assumed a virtual monopoly over

both the educational process and educational credentialing. And society attributed increasing value to educational credentials. They, in effect, became prerequisites to many occupations and professions. An example is that of airline pilots, who are required to have a baccalaureate degree and I know of no research that suggests that you would be a better airline pilot because you have a baccalaureate degree. And, of course, educational credentials have multiplied. More recently, in fact, about the last five, or at the most 10 years, at the postsecondary level the virtual monopoly over the educational process has been broken.

I think the significant event here, if you had to put a date to it, would relate to the Education Amendments of 1972 which really gave the official blessing of the federal government to the concept of postsecondary education. The Congress adopted that phraseology, postsecondary education, for a special reason--because they were trying to extend the application of the various student aid programs to students enrolled in proprietary institutions and occupationally-oriented institutions, so they used the term, "postsecondary," and in doing so, they introduced into the language the concept which is still undergoing definition because it's a rather dynamic concept. We're no longer talking about higher education, if by that you mean the activities of institutions called colleges and universities, particularly degree-granting institutions. We're talking about any kind of educational activity that occurs at the postsecondary level or with persons beyond the age of secondary school leaving. You get into a variety of educational activities when you start talking about that. We're now, furthermore, witnessing a major challenge to the monopoly of educational institutions over the educational credentialing process, and this is fascinating to watch and also very troubling for us in COPA. At the secondary level you have G.E.D., General Education Development program. The scope of that is little realized certainly by the general public, but even, I discover, among most educators. I would hazard a guess that most of you are not aware how many thousands and thousands of people every year are getting the equivalent of a high school diploma now through the G.E.D. process. At the postsecondary level it's a little more complicated. There's no one single equivalent to the high school diploma or the G.E.D. What we have today at the postsecondary level is that diverse institutions in our society which are not primarily educational are in the postsecondary education business. The federal government, state government, local government, business and industry, labor unions, churches, voluntary associations--all are sponsoring extensive programs of postsecondary education and/or training. Most of this kind of activity usually goes on without any reference to academic credits or credentials. Increasingly, we're seeing the development of a phenomenon known as the C.E.U.--Continuing Education Unit--which is a kind of a way of attaching some sort of standardization of meaning to this kind of education and training. Not for direct application to the academic process, but for use in other ways--qualifying for jobs, for salary increases, for promotions, to meet legislative requirements, for continued learning, for purposes of relicensure and recertification, etc.

But many of these social institutions also have entered into collaborative arrangements, whether they be contracts, co-sponsored programs, or just the funding of students' educations. In business and industry, for example, the Holiday Inns have a contractual arrangement with Lambuth College in Tennessee, where Holiday Inns is offering certain portions of the training, and Lambuth College is offering certain educational courses. The New York Institute of Technology has a long-standing contractual arrangement with Eastern Airlines. There may be many--I'm sure there are many others about which I'm not aware. In the area of labor unions, the Labor Policy Institute has working arrangements with a number of institutions. The so-called graduate school of the Department of Agriculture which is really not a graduate school and is not an academic credit or credentialing institution, nevertheless has developed arrangements with many institutions to receive and award credits for offerings by that institution. In addition, these social institutions are beginning to create their own degree-granting institutions. The military has been most active here; of course, with the military academies, which go way back and more recently with a variety of advanced institutes, such as the Naval Intelligence School and the Foreign Language Institute at Monterey. The one that's gotten a lot of attention in recent months is the so-called Community College of the Air Force, which has now been authorized by Congress to award the Associate of Applied Science Degree, a degree which could be literally given to thousands of people. They had their first graduation a week ago in which they awarded degrees. The Commerce Department has authority to offer degrees for students completing a program in a firefighting institute, and the National Institute for Health is exploring the possibility of offering a Ph.D. degree for the training programs that N.I.H. sponsors. At the state level, of course, you have new kinds of institutions like Empire State College, Thomas Edison College, Minnesota Metropolitan, and the longstanding Regents of the University of New York. I never know how to view that operation because they wear so many hats. On the one hand, they are a State Department of Education, and on the other hand, they are a constitutionally created university of the State of New York. On the third hand, they are a U.S. Office of Education recognized accrediting agency. But whatever hat they're wearing, the New York Regents sponsor a proficiency examination program and if you pass the exams and compile the right credits can get a degree out of that program, in certain specified areas. In business and industry, you have the General Motors Institute, the Arthur D. Little Management Education Institute, and of course, we've had related institutions for a long time--the YMCA colleges and this sort of thing. So, what's happening, as you look over the whole social scene--the pattern that you see is this: social institutions in our society that have other social purposes other than education have, nevertheless, gotten into educational activities. They view this as being socially important, and as having significance and meaning for the students who go through those educational programs. At the same time, traditional institutions have changed. They've responded to a whole series of pressures, the details of which I won't go into here,

but basically these included the demands of the 1960s, wherein the terms "innovation" and "relevance" became catch words, and the push was felt to identify and respond to new students clienteles who had not been adequately served by higher education.

Federal funding itself became a major force; there are now over 400 of such programs that provide money directly or indirectly to institutions of postsecondary education in this country. And the largest of them are not in the Office of Education. The Social Security Administration and the Veterans Administration have very big programs; the Department of Defense spends millions and millions of dollars on education for military personnel; and then, of course, the OE programs which are best known, particularly the Student Aid Programs.

Another influence on institutions has been the leveling off and then the projected decline of 18-22 year-old enrollments, and you've all heard the speeches on that subject indicating that starting about next year, or certainly by 1980, there's going to be a steady decline in that age cohort group, the group that's been traditionally served by colleges and universities in our society.

The increasing requirement for continuing education for purposes of relicensure and/or recertification for professionals in our society is another impact. And, of course, economic pressures which have resulted from continued inflation and the leveling off and even decline in certain kinds of outside funding (federal funding, state funding, and philanthropic monies to higher education) have had an impact on postsecondary education.

As a result of all of these pressures, traditional institutions have become less traditional. They've begun serving new student clienteles, they've introduced new programs, they've developed new kinds of delivery systems and, as I've already indicated, they've entered into a variety of collaborative arrangements to extend their ability to serve these various student clienteles. Now, this brings us to the topic of concern here with outside contractors, or educational brokers. I'm not too thrilled with the term educational broker, because it's used with other meanings, and I think it's going to be hard to make it applicable to what we're trying to talk about here. As you may know, the term educational broker has been used to describe a person who functions to help students match up with educational offerings. Also, not quite as well known, but there are educational brokers who are out there trying to bring education into business and industry and professional associations who need kinds of education and do not wish to sponsor it themselves. So, although I may use the term "educational broker," or contractor, it's not the best term, I believe. The term "educational broker" has been defined by the California Postsecondary Education Commission in the draft paper which you have, as "an individual or an organization serving as an agent of one or more degree-granting institutions for a fee." Now, that might be by way of a contract, by memo of agreement, or in some instances, through quasi-employment. "Educational contractor" is the term utilized by the

Western Association of Schools and Colleges to describe the activities of those referred to as educational brokers by the Commission. I prefer to talk about a "third party" to describe any one of a variety of situations where the student and the institution are the two primary parties and a third party enters into the teaching-learning relationship. There are a number of possible arrangements that can come about when you think about these three parties and the variables involved.

Some think that contracting, or brokering, or third party arrangements automatically are suspect, because it's not the traditional arrangement between the institution and the student. The same attitude exists on the part of some towards off-campus education. We get lots of letters and telephone calls from people just complaining about the fact that an institution from somewhere else is sponsoring a program and when we ask "What disturbs you about it?", it seems that they're often just disturbed by the concept. An institution from one place is operating in another place.

Also, people continue to be disturbed about the whole notion of proprietary education. Now, I don't accept any of these. I don't think automatically any of those conditions is per se, bad or even suspect. But I do think that we have to be careful to look at what other elements are introduced when you develop these kinds of relationships. The major variables that I've identified are these. Is the contract program on-campus or off-campus? Is it serving regular students? By that, I mean the students who are enrolled on the main campus, or other kinds of students--older, part-time, different educational background, different educational objectives? Are the course offerings, the regular course offerings, which are available at the sponsoring institution or are they different? Is the institutional administration in control of such things as student recruiting, admissions, faculty hiring and supervision, or is that contracted out? Is the institutional faculty in control of the determination of what courses will be offered, the syllabi for those courses, testing and grading, or are those contracted out? Does the program have continuity and long-term existence, as is usually true of most course offerings on campus, or is ephemeral, that is, something different each semester or each period of time? You can see that if we take all of these variables and start shifting them around that you can get a tremendous variety of arrangements and from what we can tell, you can find examples of almost any arrangement that you're going to think of. Keeping in mind these other relationships that I just mentioned, I also have listed as a possible major variable, the third-party role, accomplished for a fee or not. And remember, I talked earlier about cooperative arrangements with other than entrepreneurs, or contractors, per se. But I'm not sure whether that should be listed as a variable. I do think we have to ask questions--what are the implications of these kinds of conditions for quality control?

There's a long history of certain kinds of third-party roles. There are arrangements in other countries particularly where the instruction is offered by institutions of higher education but the credentialing is done by the state. There are institutional arrangements where the instruction is carried out by the resident faculty, but outside evaluator and graders are brought in. Many institutions in this country have a long history of contracting for some kinds of specialized instruction, such as on horseback riding, or bowling, or golf instruction. Increasingly in recent years, we've seen arrangements where, for example, colleges have contracted with specialized institutions to offer supplemental kinds of courses, such as typing, or accounting, to their students and the reverse, where specialized institutions, particularly when interested in accreditation have contracted with liberal arts institutions to round out the program offerings for the students in the specialized institutions. Very recently we had a situation where third-party contracts have come into being for a range of services, not just for one special kind of thing. As you look at some of these contractual arrangements, you find that they often include recruiting and admitting students, recruiting, hiring and supervising faculty, and particularly establishing and overseeing the academic program itself.

The problems that I can see here have to do with a number of areas. One is the rapid growth of these kinds of arrangements. It's a phenomenon that's occurred in only very recent years and has grown very rapidly, particularly because of the availability of federal funds, Veterans Administration money, for example. The Western Association of Schools and Colleges says that it has identified 30 to 40 contracting agencies operating with institutions in the WASC region. The Commission and the paper you have, has identified 11 major operators in California, many of them represented here at the meeting today. Academic overtures, the Center for Continuing Education, Continuing Education Corporation, External Degree Services, the Foundation for Education Services, the Institute for Professional Development, International Education Foundation, Modulearn Incorporated, Rockport Management Corporation, West Bristow Consultants, and Western Management Institute. We don't have very good information from other regions. I don't know how much you've checked with the others, Craig, but the Western Association is ahead of the other regionals in identifying this as an area that has implications for accreditation. In one accrediting region, when I asked the executive director, he said, "Oh, we've handled that problem very well. When an institution asks if this kind of arrangement is possible, we just tell them no!" Craig mentioned the Stride Corporation-Dominican College relationship and the Elba Systems-Northwest Missouri State University and the Washington Center for Learning Alternatives. In addition, the University of Northern Colorado has an arrangement with the University Research Corporation in Washington, D.C. for offering external programs. Marywood College in Scranton, Pennsylvania has worked out an arrangement with International Correspondence Schools, and

International Correspondence Schools, already accredited by the National Home Study Council, is in the process of going through consideration for accreditation by Middle States Association. This is a relatively new phenomenon, (as indicated in the Commission paper). Studies of off-campus programs have shown that 50 percent of them are three years old, and 85 percent are less than five years old. The institutions involved, often are relatively small and usually lack experience and expertise in operating off-campus programs, for this reason they often turn to a third party arrangement. Institutions like the University of Southern California that have extensive external operations have developed their own expertise. Even programs like these occasionally create problems, by the way, for accrediation. But a small institution that has had no experience in this area, if they are inclined, for whatever reason to move into offering off-campus programs, or to reach out and serve other clienteles, are most likely going to be willing to consider the services of a third party under a contractual arrangement. At its worst, this kind of arrangement can bring out the greed of all parties. Some institutions, it is suspected, get into these arrangements for sheer survival. Enrollments are declining, financial conditions are difficult, and they're having trouble attracting their traditional kinds of student clienteles, so they are easily persuaded that to enter into a relationship with a third party the institution will survive. Students often, unfortunately, are interested in enrolling in programs offered through this process, though not only through this process, primarily for credits or credentials. This is an unfortunate side effect of the heavy credentialing emphasis in our society today. In some instances, students are prompted to enroll for money, because under the G.I. Bill, it dawned on them that if they were enrolled and went through the motions of going to school, whether they were interested or not, that that could produce additional income. Many of them were unemployed, or were working at jobs for very little pay, so this was a very nice supplement; and let it be said that, at least on occasion, even the contractors are primarily interested in the fact that such an operation can produce profits. I think one question that needs to be answered is this: Under a contractual arrangement, is it possible to deliver effective educational and support services to students and to provide adequate oversight and quality control on the part of the institution This can be--will be--an expensive operation, if that institution is sponsoring programs a substantial distance away from the home campus. Well, what does constitute adequate oversight and quality assurance? The Federation of Regional Accrediting Commission on Higher Education, one of the predecessor organizations to COPA, issued a statement in 1973 which is still in effect. The regionals agreed to continue this until such time as COPA might develop and issue a superceding statement. I have a copy of that and, it's attached to the back of your Commission paper. You can see what conditions are currently in effect to be followed by the regionals. In addition, the Western Association of Schools and Colleges developed a statement in 1975 and they now have a committee on contracts which is considering a major revision of that statement, which is to go

before the Commission in November. We have an informal arrangement among the regionals where one will become the lead agency and will serve as a chosen instrument in dealing with a certain kind of problem and develop policies and procedures to be considered by the other regional accrediting bodies. I'm sure that Kay Andersen of WASC will be reporting to the regionals on developments in this area at a meeting which is scheduled in early August. Craig mentioned that COPA has a project on developing evaluative criteria for the accreditation of nontraditional education. This was just funded by the Kellogg Foundation. Dr. Grover Andrews of the Southern Association is director of this project and out of it will come proposed new criteria and any necessary procedures for applying those criteria which will be recommended to the regionals. We have an interesting way of defining nontraditional education. Andrews asked each of the regionals to submit a list of institutions with which they've had difficulty--not trouble, really--but either the institution is different or is sponsoring programs which are different so that the institutional criteria of accreditation just don't quite apply. Out of the lists of nominees submitted by various regionals, Grover has compiled, with the aid of a steering committee, lists of institutions that are going to be looked at as part of this project which defines, for our purposes, nontraditional education. Any institution that gets on that list represents a condition that needs to be addressed.

At the state level, states have the responsibility for chartering and licensing institutions. The Education Commission of the States, several years ago, developed proposed model legislation for states in this area. Unfortunately, only a handful of states have adopted the essentials represented in that model legislation, California, as is usual with California, I guess, has a very fine, elaborate law in this area that represents all the necessary, desirable qualities recommended in that model legislation. But having done that, then the California law adds a final provision which says: "Notwithstanding anything we've said before this, an institution of postsecondary education can get chartered, in the State of California, if it has assets of $50,000." So all you have to do to start your own university in California is to go to a bank with $50,000 and put it in an account under the name of the University of "umy-ump" and then go down and get yourself officially recognized as an institution. California needs to address this loophole in its law. State chartering or licensing laws, as the Commission paper points out, is not an answer to problems represented by third-party contractual relationships, however, but it is a starting point. We are convinced that state licensing and chartering activities can deal with problems of diploma mills and fraudulent operations, and these sorts of things, so that then you can start on the assumption that whatever is chartered or licensed is a legitimate operation, trying to accomplish a legitimate social purpose, and then other mechanisms can come into play to determine how well they're doing that job and what problems result from the kinds of activities that they're

carrying out. At the federal level, new regulations are in the process right now of being issued by the Office of Education which are going to have implications for these kinds of activities. The new G.I. Bill and the V.A. regulations which have come out of that legislation, have created some very serious problems, but also have tightened up--tightened up so much that it's difficult to see how any contractor can make money, if he's just interested in making money, and abide by those regulations. The Department of Health, Education, and Welfare has created the Office of Inspector General and is in the process of hiring hundreds and hundreds of people with clip boards and checklists that are going to go around and find out who's doing what to whom. The Federal Trade Commission has been in the process of developing proposed trade rule regulations for proprietary schools. Currently, a bill is before Congress, the proposed Federal Trade Commission amendments for 1977, which will extend the purview of the FTC over nonprofit, and in many instances, public institutions, as well as proprietary institutions. And Craig mentioned the Department of Defense activities in dealing with on-base educational programs; we have been meeting regularly with them, and it looks very likely that accrediting groups, the regional accrediting organizations will be cooperating to put together teams to go in and look at base operations at the request of base commanders. The danger that I see here is that if postsecondary education doesn't effectively regulate itself, not only in this area, but in other areas where there have been questions and concerns, the government--federal or state government--or both, are going to regulate it for us. Some of this legislation I've mentioned suggests those kinds of dangers.

I'm an incurable optimist, I guess; I think the outlook is pretty good. I think those who are in this kind of thing for the money, are going to find that there's not as much money in it any more as there was. Some contractors, the Commission paper reports, have already diversified into other areas and have cut back their activity into this particular area. Others appear to be facing financial reverses. I have a few propositions I'd like to end with and would be glad to have you challenge them. Call them Young's propositions.

1. An institution of postsecondary education cannot contract away responsibilities for which it would be held responsible by law.

2. An institution should contract with a third party only when it is determined that the contractor can perform needed services more effectively than the institution can perform itself, and it must be prepared to demonstrate that this is the case, particularly to accrediting bodies.

3. An institution should not contract away its responsibilities for controlling admission standards, grading standards, the nature and quality of course offerings, and representations made about the institution.

4. An institution should not offer courses off-campus that are not available on-campus.

5. An institution should not offer credit for off-campus courses that will not be fully accepted on-campus.

6. An institution's accreditation is for the totality of that institution. Any activity sponsored by an institution must meet the tests of accreditability or the institution may lose its accreditation.

7. An institution has a responsibility to notify the appropriate accrediting bodies of any substantial change in its organization or operations; and this would include entering into any contractual relationships affecting educational programs and opening, closing, or changing any on-campus operations.

We have a problem, it seems to me, a general problem. Our society has agreed upon certain desirable social goals--ends--and set up means to accomplish those but then we confuse the means with the ends. We have an example of that here--the objective, and we should not forget it--the original objective is to provide needed learning opportunities to students who want those learning opportunities. The objective is not credentialing, except as that can signify that learning has occurred. The objective is not profit either for the institution or for the broker, and the objective is not institutional survival. It seems to be that an institution of postsecondary education that cannot survive by offering worthwhile, needed educational activities for students and serving the needs of those students doesn't deserve to survive. Thank you.

Having provoked you, I hope, I would be most happy to answer any questions that you might have, and Craig reminds me to remind you that there's a microphone here for that purpose.

Questions and Responses

Mr. Jay Olins, Commissioner
California Postsecondary Education
Commission--Question

Ken, one observation--as you talk about profit, I think that there's a motivation for an educator, whether he is paid a percentage or a flat salary to see that his particular program is utilized. It's sort of difficult for me to determine why there's something better about working for a salary and then losing your job because there are no students versus working for a commission and losing your job because you don't deliver students. You have students in the class to have a job, and yet I hear you saying that the profit motive could somehow or other cause the delivery of the service to be different or less acceptable. I think the motivation is the same.

Dr. Kenneth Young, President
Council on Postsecondary
Accreditation--Response

That's exactly why--I thought I was equivocating on that point, that I listed as one of the major variables. We're dealing with situations, or at least observing situations now where faculty at very fine accredited institutions are realizing that if they allow the institution to have the policy that gives credit for the CLEP examination, for example, and many students take advantage of this--and pass the CLEP--that there would be X number fewer bodies in their particular classes. Faculty are going back, and in the name of quality, revising to the point, in my judgment, to the point of ridiculousness revising the cutoff scores, or even just wiping that out, saying "We will not accept--we will not allow students to demonstrate that they have already gotten the equivalent of learning in a particular course through an examination process. I think the motive here is essentially the same one--it's one of trying to guarantee that your courses are going to be full of students. So I would acknowledge the point--I think I would acknowledge that all of us here on this earth are here for a number of purposes and the bottom line is one of survival and economic survival, is a very real part of that--we just have to recognize and acknowledge that. But I would say that, I think, when you have two primary parties who have to be there in a teaching-learning situation, and we introduce a third party, just the introduction of that third party raises some questions about what is a desirable kind of relationship. If that third party is there with the profit motive right up front, it may, and I raise that as a question, it may raise some implications about which we need to concern ourselves.

Questions and Responses - Continued

Mr. Glen Fahs
Dominican College--Question

Did I hear correctly that you said that a course should not be offered off-campus if it is not offered on-campus?

Young - Response

Yes, I did.

Fahs - Question

Wouldn't that eliminate about 75 percent of the programs that are offered through extension? Most--for example, UC extension, offers many courses which are very different and offered to different audiences than campus programs which are for the most part degree programs. Also, they don't accept a lot of their units which was the second point you made and I think it's two different questions.

Young - Response

Yes, you notice I tried to say, I hope it came through clearly, that many of my concerns here are not restricted to third-party contractual arrangements. One of the underlying points I was trying to make and why I started out describing all of those other kinds of relationships is that institutions are entering into all kinds of new relationships and that these inevitably raise a number of troubling questions which we have to address. Contracting--third-party contracting is only one of those kind. I said that to provoke a kind of response, to get some kind of discussion on that issue frankly. If an institution is offering courses off-campus that it does not offer on-campus, it seems to me that there has to be built into that institution a faculty control mechanism showing the educational desirability of that offering and the educational quality of that offering.

Fahs - Question

So you're talking more about a question of strengths in those areas rather than the specific course.

Young - Response

I've come across some instances of on-base military educational programs where the home institution has no expertise at all in some of the areas offered. If home faculty were involved it would be a charade because the home faculty has no expertise to say whether or not these questions are worthwhile, so they are hiring, I hope,

Questions and Responses - Continued

Young - Response - Continued

qualified faculty on the location to offer those particular courses. But the tie between the sponsoring institution and the contracting institution on those offerings is not the most reassuring kind of an arrangement.

Dr. Harmut Fischer
University of San Francisco--Question

Mine is more of a theoretical question. In many sectors of our economy, the profit motive leads to good products; why not in education?

Young - Response

I guess in my earlier message I was not as clear as I should have been. I was not saying that the fact that third-party operators are in this for a fee is an important variable. I listed a number of important variables as you will recall, and then I said that I had not listed that one, but then said that I thought that there were some implications about the for-fee arrangement that needed to be looked at. And that's all I'm saying about that particular kind of problem. You didn't get an answer.

"Who Are The Brokers?"

Dr. John Sperling
Institute for Professional
Development

In the request that Craig gave us he asked that we speak concerning our philosophy, history, and on our operations. I can start out by saying that the development of the Institute for Professional Development came from much, really, of the things that Dr. Young mentioned--factors such as population changes, decline in the 18-22 year old group, the fact that the campus, which has traditionally had a monopoly on information, is losing that monopoly because of the information explosion and the availability of media out there in the world at large that gives not only 18-22 year-olds, but adults, sophistication that is increasing and is much different than it was previously. Job requirements are changing rapidly and, of course, the lowering of barriers to previously excluded groups--women, minority workers, and particularly working adults--have been factors. In addition to that, there's been, of course, some disillusionment with the operation of higher education--in fact, education at all levels. The schools, as you know, are under attack, and the turmoil of the '60s did not do higher education much good as far as its image in the society at large. As a consequence, institutions, particularly private institutions, who are dependent upon a student enrollment have been finding that things are rather rough. A recent Change magazine article stated that nearly 80 percent of private institutions were in trouble. Church related institutions are particularly in bad financial shape and I think that the highest rate was 93 percent for Catholic institutions in financial difficulties. Now, obviously, that is going to require a response if the institution is going to survive. And I think that survival is the fundamental issue. Survival to me, in human terms, means that a lot of people work in these institutions that have jobs that pay the rent, keep the families alive and that when you simply say that if an institution must survive with its traditional clientele, you're telling thousands of people that they can go out and change their lives, change their lifestyles, have turmoil within their families, and that that is a good thing. I think that institutions have the right to survive; furthermore, I think that it is very important that in looking at institutional purpose and objectives, and that is a phrase that comes out of the FRACHE guidelines, an educational institution's purpose and objective is to serve the educational needs of society. Those educational needs change with changing times, and the changes that I've mentioned have meant that educational institutions often can play a more valuable social role serving a new clientele than they can by simply serving a traditional clientele. That's why institutions such as IPD have emerged. They have emerged as an entity which aids an institution in that transition from the on-campus 18-22

year-old traditional clientele over to a new clientele serving new social needs.

Now, what does the Institute for Professional Development do? I think that you can look at this in terms of what happens on campus. Traditionally, on campus you have a system that is basically an input driven system. You have a curriculum, you have a faculty that is credentialed itself, you have educational resources in the forms of libraries, AV centers, you have an administration that handles the comings and goings of the students and, of course, the quality control is passed out to each individual faculty member. Now, the basic purpose of these institutions is to prepare students for entry level work. And when you prepare students for entry-level work you never know what their requirements are going to be so that you really don't need an output driven system. An input driven system functions quite well here. But when you move out off-campus into the world of work you find that the requirements are very precise. An individual who is in a job has a very clear perception, as well as his/her employer, about what the work requirements are; therefore, nontraditional, off-campus education is going to tend to be output driven and is going to have to be able to deliver something that is identifiable and, hopefully, measurable. Therefore, you will basically have a competency based educational system and this is a major change from on-campus work. It means that you will need a new curriculum, you will need a different sort of faculty, your educational resource mix will be different, and certainly your delivery system is going to be different. You're going to have to have a much more sophisticated and complicated management information system and, particularly, you're going to have to have a different quality control system; so in this case the Institute for Professional Development has a series of roles in this facilitating relationship. For instance, it has an educational R and D function; it produces along with--and this is rather interesting-- we always have on-campus faculty on our curriculum committees--curricula designed for adult populations. They are identifiable groups; therefore the curriculum can be much more specific. We also work on the whole area of assessment of prior learning because in dealing with adults--they are quite proud and also quite knowledgeable--they want their knowledge and skills, gathered from years of work, recognized. Just as an aside, in the various programs that IPD and the cooperating universities have, our lowest average student age in any group is 36 and it goes up into the early 40s.

Probably the most important thing in establishing an effective off-campus program is your faculty. It is no different than that which is on-campus. The faculty is the crucial medium, but that faculty must be quite different in its skills than the faculty on-campus. That does not mean that they do not have to be credentialed, solid scholars in terms of what they know in their discipline, but they have to go far beyond that--they have to be skilled in dealing with people, they have to interface with the community, and they have to be very good at small-group facilitation. In fact, their role changes from that of the

disciplinarian. Having been raised as a disciplinarian myself and knowing that at the lecturn I gave lectures based on my control over the discipline--my knowledge of it--the off-campus faculty member is facilitating the learning of a much more sophisticated group than one usually addresses from the lecturn on campus. So faculty development is another crucial function that we do in cooperation with the universities.

Then there's the administrative infrastructure. When you have classes spread out in a large number of areas you certainly have much more complicated and more difficult problems. Because there are problems of distance and communication, we move to an information system that is computer-based and then beyond that you've got to have the educational resources. Again, you don't have libraries, so you have computer-based information systems; you also have to be able to service the students as far as their needs are concerned in statistics and other such matters. That is what we would call the educational R & D.

Then comes the management consultant role, because you don't simply establish one of these programs over night. And this is to create a management information systems that, first, is financial; you have an accounting and control function that is quite different from an on-campus system, you have an accounts receivable that is also very, very different, and you have an academic accounting and auditing structure. Now, this is something that I think is going to have a profound effect on the whole nature of accreditation, that with the development of these systems and a centralized data base, what we are striving for now is an ongoing academic accounting, an auditing structure that is annual rather than a five- or 10-year cycle. The academic accounts are kept and an auditer comes in just as Price-Waterhouse comes in, and looks at the books every year. So an academic auditor would come in and audit your academic accounts and this will give you some true measure of quality control. Although this program's requirements and its aims are different, its quality is no less than that which you find on campus.

Now, finally, there is, of course, the world of student recruiting and, again, traditional institutions have recruited traditional populations. Adults require a lot more work in determining what their needs are. You have to go out and identify groups--what their needs are, you have to sit down and deal with them, you have a very important role in community relations and there's an enormous amount of work that precedes the active student recruiting. These are all of the things that are necessary in establishing quality off-campus programs. And I think that these are functions that are properly the role of an outside agent. I was very appreciative of Harmut Fischer's question to Dr. Young, "What's wrong with the profit system?" Isn't that what America's all about? If it produces, in other aspects of life, quality products that we've bragged about and say that this is the best country in the world because of that system, then I find it rather difficult to

imagine why there's something antithetical between profits and quality education. In fact, if you have an output driven system, you have to strive for efficiency. You have a measure. In an input driven system you have no measure of efficiency. You only have the belief in the fact that you're doing good and, therefore, you should put in as many resources as you can. The resource base is bottomless. There's no end to the money you can spend and obviously every educational institution is expected to spend its last ten cents. When you have an output driven system, you have measures and therefore you can ask the question, "Are you getting the best results from a given amount of money?" Now, in this case, I think that in looking at the future of contracting, we will have to ask why the issue is here as a crisis? It would seem to me that educational contractors come into existence because of basic social and economic needs. They obviously are supplying a service that institutions have found valuable. In almost every instance institutions have generally been considered competent to make decisions regarding the services which they require and, as a representative of the industry, as it were, I would wonder if there should not be determinations--are specialized services a proper function in education? And, before we rush to change the current nature of the industry, would it not be good to have some knowledge of what that function is, do some fact-finding and then, and only then, proceed to change the world?

One final point I would like to put in here is that on page 8 of the paper that the Commission produced it introduces a rather ominous note that the future of contracting is much in question because of imminent changes in the WASC rules; as a result of that I went back and looked at the Federal Register. I noticed there in the Federal Register that in order for accrediting agencies to change rules and policies there is a requirement that they consult their constituency. FRACHE and WASC and the other regionals have brought the educational contractors into existence, and having brought them into existence, it seems to me that they constitute part of the constituency of the accrediting agencies. I would think that the students that they're serving out there also have now become part of the constituency of the accrediting agencies. I would like Mr. Young to deal with the question some time today of what is the due process whereby policies are changed, how are the constituencies consulted, and when and how are those decisions finally to be made to change the policies? Thank you.

"Who Are The Brokers?"

Dr. William Williams
Continuing Education
Corporation

It is a pleasure to be here with you today to talk about Continuing Education Corporation and our relationship with Pepperdine University and its Presidential/Key Executive MBA Program. As I understand my purpose, I am here to inform you about our company in general and, more specifically, to talk about the relationship that we have with the School of Business and Management at Pepperdine University.

Continuing Education Corporation is located in Tustin, California. The company was incorporated in 1971, having been a partnership, Chaney, Hall & Associates, formed in 1968. All stock in the company is held by employees of the corporation. The company has six divisions and/or major programs. These are as follows:

1. The Executive Committee (TEC): TEC was the first program offered by Chaney and Hall and Continuing Education Corporation. It is a combination educational/problem solving program for company presidents and chief executive officers.

2. Performance Systems Improvement (PSI): The PSI division operates a program that focuses on improving human performance in organizations through a series of techniques which are spinoffs from the behavioral modification techniques. The PSI division has been in operation since 1975.

3. Skadron College in San Bernardino: This school was founded in 1907 and was acquired by CEC in 1974. The school is accredited as a two-year school of business by the Accrediting Commission for Business Schools, Washington, D.C., and offers an Associate in Specialized Business degree, in addition to a variety of short courses.

4. San Diego Business College: This school is similar to Skadron and has been in operation for ten years. In addition to business courses San Diego Business College offers a two-year course in court reporting. The school is accredited by the Accrediting Commission for Business Schools and offers an Associate in Specialized Business degree.

5. Management Seminars: This division conducts in-house executive and management seminars for corporations in a wide variety of managerial and executive skill development areas. This division has been in existence since 1971.

6. Presidential/Key Executive MBA Program (P/KE): I will introduce this program and our involvement with Pepperdine University at greater length later in my presentation.

Continuing Education employs approximately 150 people, most of whom are associated with the teaching faculties of the two business colleges. The executive management team is composed of Dr. Fred Chaney, who is President of the company; the Corporate Vice Presidents are Dr. Bill Hall, who is the financial officer of the corporation and myself, Dr. Bill Williams. I am the Operations Vice President and Director of the two executive programs, TEC and P/KE. Dr. Robert Lorber is President of the PSI division, Ms. Bette Hurst is the Director of the Seminar division, Mr. Win Skadron is President of Skadron College, and Mr. Peter Hobbs is President of the San Diego Business College.

I would now like to give you a quick overview of our relationship with Pepperdine University and the Presidential/Key Executive MBA Program. The relationship and the program was a result of a meeting in 1970 between Dr. Chaney and Dr. Don Sime, Dean of the School of Business and Management at Pepperdine University. Dr. Sime and Dr. Chaney saw a positive synergy between the kinds of education that CEC was doing with chief executive groups in our TEC program and the innovative thrust of Pepperdine into management education. The resultant P/KE program is a variation of Pepperdine's middle management Plan II program to which some significant additions have been made to meet the unique needs of an executive population. The program is a small one from Pepperdine's point of view, representing less than 10 percent of its MBA student population. It is also a small part of Continuing Education's total business; less than 10 percent. There have been approximately 550 executives enrolled in the program since its inception in the fall of 1970. There are currently nine class groups in session, with the maximum size of any class limited to 18 executives.

A letter of understanding defines the formal relationship between the two organizations; however, the relationship is built primarily on the mutual respect between the organizations and key people. The specific services that CEC provides to the P/KE program are as follows:

CEC takes primary responsibility for the marketing of the program in the sense of attracting students to the selection of all

candidates. This includes testing and an individual interview with a full-time member of the Pepperdine faculty. All marketing material such as brochures, advertisements, etc, are approved by the School of Business and Management.

CEC also provides a class chairman for each class group. This chairman has overall administrative responsibility for the group as well as the role of meeting individually with each member of the group between his class meetings in a tutorial capacity. The chairman is also present at all class meetings which are taught by full-time Pepperdine faculty.

The monthly tutorial sessions, which are about three hours in length, focus on helping the executive translate the material covered in the program to the man's business. Since most of the participants are already successful presidents or executives in their corporations, the meaningfulness of the educational experience is primary with the degree being next in importance. During the individual session the chairman also works with the executive on his business research project, which is intended to be a major business project integrating the educational experience and the participant's business needs. A report is written on every individual meeting. This report is mailed to each of the Pepperdine teaching team assigned to the class.

The class chairmen have credentials comparable to those of the teaching faculty. All have Ph.D. degrees in some business area and/or are completing their degrees. Of the nine chairmen currently employed, seven have their Ph.D. degrees; two are completing requirements on their degrees. Pepperdine University has the final say on their acceptability to the program.

The program also includes the use of outside speakers over the 16 months of class sessions. These speakers are businessmen, professors from other universities, and/or professional seminar speakers. Many of these speakers are identified as potential speakers for the P/KE program from the TEC program. CEC identifies the speakers, but they are approved by Pepperdine via the Pepperdine professor in charge of the class section.

CEC provides administrative support for the program. This includes collecting the fees, scheduling meetings, interacting on behalf of the student with the University registrar, finance, MBA program and VA offices. CEC also coordinates the outside speakers and special workshops. The administrative support is far more personalized than what a student might expect in a typical university situation. The administrative staff includes myself; an assistant director, Dr. Frank Largent; one full time administrative assistant; and part-time assistance from another CEC staff member. All student records are maintained by the University.

The program has not expanded in the last several years, primarily because CEC and the School of Business and Management have decided to maintain it at a high quality level, both in terms of delivery and the students enrolled. I think that both CEC and the School of Business would like to maintain that position--low enrollment and high quality, both in delivery and the student body.

Thank you.

"Who Are The Brokers?"

Dr. Leonard Dalton
Academic Overtures, Inc.

At the risk of sounding like I'm protesting too much, I want to start out by saying first that Academic Overtures currently has no contract with any university since the recent issuance of the WASC directive. We have individuals that have contracts with universities and we're constantly gathering retired educators to do that same sort of thing with others. You might ask, "Well, what's in it for Academic Overtures?" Well, that's a good question and I think we may have been the organization that Dr. Young referred to that may be on its way out, but as an organization, we're not sure we're necessary any longer under the WASC guidelines. I currently have a contract with a university to develop curriculum on a performance base for them, as I have done with some other colleges.

Concerning our philosophy and history, it was interesting to hear Craig talk about the fact that brokers are probably the child of the 70s; if that's the case, I have to confess to an intimate relationship with colleges back in the 60s that generated that birth. I was doing this sort of thing with the Kettering Foundation as an intermediary--I could use another term but it's a rather vulgar one. We were actually generating workshops, locating people who wanted to learn how to develop a performance curriculum, and providing college credit for this service in which some enrolled for the credit, and some didn't. Now, the interesting thing to me is that it's not that colleges can't do the kind of thing brokers do, it's really that they won't do them. I think John Sperling alluded to that a little bit in that there's a certain amount of security in knowing that you have a budget, sometimes somewhat unlimited as far as, maybe, the State Colleges are concerned, whereas when you're a broker, out there by yourself, you know you're going to have to make it financially, or you're going to die and move to something else. It's a simple comparison, I'd say, of free enterprise with socialistic organization, whether you like it or not. To me, there has been a definite evolution in this process, especially since I see it from a vantage point of some 15 years. Most entrepreneurs--and maybe "broker" is not the right term, maybe we ought to call them "educational entrepreneurs"--that start out because they see a need and see where to make a buck--they put the two together and they make a buck and they fill a need. That's a terrible thing to have to admit but that's true; in the process of making that buck and filling that need, they see all kinds of vistas such as travel study credits, they can organize groups, provide travel opportunities and people get college credit. There's all kinds of things that go along with this entrepreneur activity. And I don't say they're bad, having once owned a travel agency, I have to say that there's an awful lot of value in travel. This person soon finds that he can't do it all by himself. So he contacts other educators, some retired,

some fired, whatever the case may be, and they begin to find more needs and to make another buck. Then the broker is faced with either one of two things--either the market dries up or he becomes a little more innovative and he begins to find other ways to fill other needs even if somewhat created by him.

Now, in my particular instance, Academic Overtures was started way back, about 1972, in which a group of us, the originators of the Kettering Learning Package, or UNIPAC, formed a little corporation called TIME, Unlimited. I think that had some fancy definition, teaching innovation and a modern education. Our partner in the organization was Gardner Swenson, the father of the daily demand schedule of Brookhurst Junior High, and we had some very prominent educators. Later some of us organized under the name UNIPAC and formed a consultant firm under that name. Our first work, by the way, was with Pepperdine. I'll never forget, we were back at Columbus, Missouri, with Kettering, running a work shop on performance curriculum packaging, which certainly fulfilled the minimum hours requirement. I remember asking the Professor from the University of Missouri, "Why aren't you offering any credit for this?" And he replied, "Oh, no, our university wouldn't go for that." Pence Dakus--some of you remember Pence--was the first dean of Continuing Education for Pepperdine. I said, "Pence, you're accredited all over the country--why don't you offer credit?" And Pence replied, "I think I will." I guess that was probably one of the first weekend workshops that ever got started, that Kettering Workshop in Missouri. Well, from there we began to see that we who were practitioners--as we liked to call ourselves--compared to theorists that you people on campus were--we had a program that we would offer that was practical, was up-to-date and well ahead of what was really happening in education with regard to performance curriculum development. We ran workshops from West Virginia to Hawaii, I guess, for many, many years. Finally, finding out that the name UNIPAC was really not too original and wasn't going to be very easy to use nationally, we merged into Academic Overtures, and since that time it's been called Academic Overtures. Actually, all of the things we've done--all of the courses that I've written for Continuing Education, whether they be degree programs or nondegree programs--we have stressed that every single concept that is to be learned in that program must have a performance objective identified and, in order to make sure that we did not get in trouble in the affective domain, we saw to it that we'd use observable terminology and we didn't say "measurable." One of the things we learned in our workshop was that if you tell somebody that they have a picture in their head, that what they are looking for is evidence of learning, all they have to do is get it down on paper so it's observable evidence, we don't have to fight with them over the affective domain. And, consequently, we were able to do this in every course we wrote.

I would like to mention that for those of you who'd like to know a little more about how it is we do convert curriculum to a performance base, how we work with professional associations on behalf of the colleges that we work with, we do have some booklets and when this session is over,

if you'd like to have a copy, Mr. Norman, of Academic Overtures, would be glad to let you have one. This, I have to admit, was produced before the recent WASC directive and therefore is probably not totally appropriate. I wouldn't want you to assume that we automatically do these things for colleges in the name of Academic Overtures. They're done with an individual who contracts with a college who also just happens to work with Academic Overtures.

There are many services which colleges are unable to, or won't provide. Maybe it's beneath their dignity, and when you're working by yourself and not under a budget from an institution there are things you will do that you wouldn't do if you were in their position with a full-time salary. There exist thousands of qualified persons who'd like to earn college degrees but due to civic, church, and professional obligations, cannot attend even weekend classes. This was a real revelation to me. Here I've been going around the country, running these workshops, thinking I was doing a great job teaching elementary and secondary teachers how to put together performance curriculum packaging, and all of a sudden it was dropped on me--here are thousands and thousands of people who went to college maybe a year or two, got married, got a job, and then because they coach Little League, or something, there's no way they can even go back to school nights or weekends. And colleges have been trying to deal with that for some time. As a matter of fact the Cal-State Consortium has for three years been saying they have a directed independent study program but, in fact, at the risk of being shot by somebody from there, they really do not, because they have not converted their curriculum to a performance base so that there is no argument between the teacher and the student about what the student has done and what is acceptable as evidence of learning. And you cannot have directed independent study without doing that. There are educators who may be retired or otherwise available to service qualified students who are master's degree candidates. Some of the things that were said up here bothered me a little bit earlier because I do not understand why someone with a master's or a Ph.D. degree on-campus is any more qualified than somebody approved by a university with a master's or a Ph.D. to teach off-campus. As long as you can build in a performance curriculum and a peer review mechanism from the professor on-campus you have a better quality control than what you have on-campus. You see, no professor on-campus is going to allow you to come in and sit in on his class and check on what the students have learned. You might have a strike on your hands immediately. But the performance degree programs that I've worked with universities on is not only the performance curriculum in which the student must achieve every single objective but it also calls for a review from a campus professor to double check to make sure that that student, in fact, was the one that did that. Accredited colleges and their accrediting agencies are concerned about quality control of degree programs offered away from campus. This is why to me it's important that colleges, in both on and off-campus programs, are going to have to move towards a performance design in their curriculum offerings.

Campus professors are capable of identifying what they're willing to accept as observable evidence that each concept, idea, attitude and skill has been learned. But unfortunately, they won't. You see, there's a danger of using this for purposes of accountability, which I mentioned here earlier. Once they've identified what they're going to accept as evidence of learning, someone else could take the next step, and probably rightly so, and hold the faculty accountable for those objectives. I don't know whether you've ever taken a course and taken all the notes, and all that the professor has said, taken his basic texts, and then isolated all the concepts, and written a performance objective for every one of them. If you think that's easy, try it. It's not easy, but that's what we've done. We've done that for six bachelor's degrees and it's a costly process but it's a good investment in education. The use of performance curricula encourages the implementation of principles of accountability. I don't deny that; I think it's good. All right, the services that I think a broker, if you want to use the word, or entrepreneur in education, should provide is to continue to locate candidates that the colleges either cannot or will not locate. To locate tutors that are qualified and submit the resumes and transcripts of those people to the college for their approval, to utilize campus professors, push all parties to review the curriculum and to develop that curriculum around a performance base, to provide tutor-pupil supervision, to ensure weekly contact between tutors and students, and to schedule campus professors for performance verification meetings with degree candidates. All of these are to be controlled by the university, as we see it. I might put myself in the shoes of that university. If I were the president, what would I want? And this is the way we operate.

I would like to add that I think that all funds should go directly to the university, possibly in a trust fund, but nevertheless they shouldn't come to the entrepreneur broker. I think the funds should be made out directly to the school, although that creates a little bit of a burden on the business manager--I see that as a quality control and if I were in the WASC office, I would want to see that also. This basically is a brief view of how we see where we are and where we think we're going. I hope that Academic Overtures can continue to move in a direction of performance because I like to see people get credit for what they can do, not how long they sit in a chair, and where they sit in it. I have no patience, quite frankly, with the philosophy of so many of my colleagues on the college campuses that you really can't count it as credit unless it happens in the shadow of the library. I just want to thank you for inviting me, Craig, and giving me a chance to say some things I've wanted to say for a long time. Thank you.

Benefits of Brokerage
Institutional Perspectives

Mr. Michael Howe
Dean of Continuing Education
University of San Francisco

Maybe as an indication as to the success of the programs, I'll correct Craig. In January I was made Dean of Continuing Education at USF--it's a new position, obviously.

I guess what I'd like to do--actually the way the program is entitled, we're supposed to give the positive, but I would like to throw a barb toward Dr. Young, unfortunately, at least from my vantage point, his presentation tended to underscore the problems or negative aspects associated with the programs without really underscoring what I consider and I think that many of my colleagues consider, the very positive aspects associated with these kinds of programs. I guess at the outset, what I was going to say was that some problems that Dr. Young referred to--I don't know whether they are problems--they might be problems; but the way he referred to them, they aren't necessarily a problem. For example, growth, and our programs have experienced rapid growth, we don't consider this a problem. There have been problems associated with rapid growth, but rapid growth in itself is not a problem from our vantage point. The problem of base motives (profit motive) has already been dealt with by one of our colleagues, Harmut Fischer, who is my associate dean in Continuing Education at USF--although I'll be candid with you--we have yet to see a profit associated with these programs, as the vice president for accounting and finance told me last week while I was doing my budget. I think the critical issue that I had with the problems that Dr. Young referred to, was that the tuition has to be higher and I guess I really ought to find out what he means by that because I can't figure that one out at all. What criteria do you use? Maybe you're talking about public education, but not private. From our vantage point it's costly, but it does not necessarily have to be higher. At our university it's about $7.00 a unit less. The program at USF began about 1970. In Continuing Education, we began to deal with adult students and the University, for all intents and purposes, was experiencing a rather rapid decline in student enrollment. It's important for you to realize that the rapid decline in student enrollment was in terms of our traditional student population, which was both adult and the traditional 18-22 year-olds. The University of San Francisco has had, since its inception, an evening college that related to the adult market and that evening college sometimes had enrollments close to 1,000 students.

Now, from the vantage point of program development what we were attempting to do at the University is develop programs for those students that we had traditionally served, both the 18-22 year-old population, as well

as the adult student. I personally was in the Sociology Department as a faculty member there and had been working with a number of programs that related to law enforcement, LEAA program grants, as well as to social service grants. We had anywhere from 13 to 25 students in each one of our programs, totaling at any one time maybe 40 or 50 students. The later part of 1974, the president of the University began to discuss with John Sperling, at that time a professor at San Jose State, the possibility of John calling two colleagues of his, Peter Ellis and Joan Crawford, and developing a program in league with the University. I, at that time, was not connected with that. I was just a faculty member in the Sociology Department. The president and the academic vice president, at that time, introduced me to John and we began to develop the programs that they currently have. And we developed those in concert--what I want to say is that we developed those around not only a strong base administratively but a strong base at faculty level. That does not mean the faculty were all very happy about this--that means that there was lots of criticisms, lots of conflicts, but after all that's what involving the faculty means--lots of conflict, especially as it relates to new programs. So as a result the program began very small, again continuing with students that we had and grew to a point in 1975-1976 in which we had approximately 400 students enrolled in one program. It was a degree program, a Bachelor of Arts in public service. This program we did in conjunction with the Institute for Professional Development. It was named IPD after we'd been in relationship with John and Peter and Joan for about a year and one-half. I think initially we were not quite sure whether or not they were part of the University or not. I'll be candid with you--the development of the relationship was in many ways accidental and not very well planned from a vantage point of the way we're talking about it today. The reason we developed it is that we knew that out there are a number of adults who desired postsecondary education programs. They desired them both on a credential level as well as in terms of particular programs that would help them. Our first program related to police officers and people in the criminal justice area and we found that at the very outset IPD was quite helpful in giving us the development help necessary to establish not only the markets out there but also in terms of developing curricular needs, working in conjunction with the faculty at the University, as well as in terms of developing the program administration. We really, for all intents and purposes, had never gone off campus before except on an ad hoc basis with specific faculty members, working with their departments.

The programs themselves were developed as a result of the University, the Institute, and numbers of people in the professions assessing a particular need and trying to identify the kinds of material that would relate to that particular need. We spent approximately two years doing this, and I think that, in fact, as a result, the program tended to develop around the needs of each group, that being the University, the student, and the consuming population, that basically being those people who have to consume the students after they've completed their degree program. We also developed the same kind of strategy as it relates to our other programs--we have other programs dealing with educators, social service workers, banks, and so forth.

As you well know, many of you saw decreasing enrollments at many universities. You saw in the paper, I'm sure, about how the University of San Francisco was going to release about 113 faculty members. They sent out terminal contracts to all of them and you can imagine the kind of atmosphere that existed at the University at that time. Well, we were at the same time as that developing a union which we now have at the University, and we were also developing these programs, so you can imagine the kind of environment that was existent there. I'd say that before, the University faculty were involved in the program because they were interested in whether or not they were going to have a job. There were altogether about 18 faculty involved in the whole program at the outset from different departments. Now, afterwards, we find that now we more than likely have about three-quarters of the University faculty involved in Continuing Education programs. They're either involved on a consulting basis, they're involved in a direct work basis, or they're involved on an evaluation basis. I would say about two-thirds of the faculty are involved in teaching. It's important, then, to realize that this must have had an impact upon the University in terms of retaining faculty. In Continuing Education we have now, probably, eight faculty members who would have been released but were picked up in Continuing Education. I personally have tenure at the University so, as the Dean of a program, I'm not in a fearsome position of being released immediately.

As a result of the brokering firm, what we're able to do is develop these programs, hire the faculty that would have been released and develop at the same time a sound financial base for the University to continue operating these programs. However, it's important for you to realize that these programs have not produced the kind of base that one would expect that would allow the University to survive. It hasn't. However, it's cost effective in terms of its operational context. The brokering firm has taken the chances and allowed us to develop a program without having to invest an incredible amount of our own resources. So it's important to keep in mind, at least from our vantage point, that the educational climate of the University has changed dramatically. The educational component has gone from a demoralized state to a relatively positive state as evidenced by the number of faculty involved in the program. The faculty themselves feel that they own the program; therefore, it's becoming on a daily basis more institutionalized into the University. A number of years back, the program was not the University's. I think everybody would agree with that. But today it is. It's very much the University's. The brokering firm for all intents and purposes has helped us establish a base within the bay area--the San Francisco bay area--that we didn't have. USF, for all intents and purposes, was considered a small Jesuit University. Today it's still a small Jesuit university, but it is perceived by a number of people within the community as a University that's attempting to reach out to that community. The kind of community service that has resulted is really very positive, as far as the University is concerned. The students come back and ask us for additional services. It also has helped institutionally to develop entrees, capabilities, and expertise

within the University as it relates to the community outside. Our individual faculty we feel have been developed incredibly in terms of their own potential. They were a very traditional faculty at the outset and a number of faculty as a result of this program have developed all sorts of capacities in terms of developing new ways of teaching classes. A recent survey that we just completed--or are in the process of completing--indicates that a number of faculty members who teach in the program have indeed taken what they learned in the Continuing Education program and have applied it in their classes on-campus. So, there has been a feedback effect which has been very positive and not deleterious. There also has been a development of faculty resources. As a matter of fact, in the Foghorn, our student newspaper, the week before last, there was a big headline. It said: "Liberal arts faculty member hired," and for USF I'd have to say that's a very important thing, because for all the problems that we've had, that was a very positive sign. The economic factors, then, are important. We have been able to achieve an economic development at the University as it relates to this program. We've been able to put more and more of our resources associated with this program to work. We have on-campus gone from a very small budget to a very large budget. That means expenditure budget, not income budget. That's one of our problems right now, we're in the middle of budget hearings. It also has developed, from our vantage point, a heightened awareness and responsiveness of the students to the University. It's very interesting how, as our graduates develop and grow, they come back and they join the president's club, or the ambassador's club, and they give gifts, and they really feel like they're part of the University. I think that's something different than what most people think of Continuing Education. We've integrated these students, they participate in the same graduation exercises, they maintain the same core curriculum requirements that any other university student must maintain, and they feel a part of the University. That's a critical variable as far as I'm concerned. Faculty at USF feel that this is their program, and I think they can stand behind it in terms of its demands upon the student as being similar to the demands that we make on campus. We've also found that this program has directed the financial resources in such a way that we're being very proactive rather than reactive. That means basically that we are planning for the first time since I've been at the University--planning how we're going to develop programs. I think that's a very positive environment to find yourself in within a university, rather than reacting to why you're going to cut and where you're going to cut. We're actually talking about developing and this is not just in Continuing Education. This had a feedback effect upon all the departments because we share some department positions; and so as a result, the departments themselves are beginning to talk about further development. I guess I want to just say good things because I hear a lot of bad things being said; and I'm sure that if anybody has any bad questions to ask, I'll be happy to answer them.

Benefits of Brokerage
Institutional Perspectives

Mr. W. E. Lewis, Executive Dean
Overseas Program
Los Angeles Community College District

The Los Angeles Community College District has been benefiting by brokerage of educational services in the Overseas Program of the District since 1972. It is important to note that for many years prior to this, at least since the early 1920s, Los Angeles schools were making use of certain organizations to implement the provision of education to the communities served. Chief among such organizations were parent teacher groups, student body organizations and nonprofit foundations established at most Los Angeles community colleges. These early organizations fit a category described as auxiliary organizations (and that term, by the way, has been defined rather carefully by the State of California). They typically provided services that were not then provided through the public school system itself. Typical services were the provision of cafeterias, bookstores and student sponsored activities. I think all of you are familiar with all of those. In 1949 the cafeterias were absorbed as a function of the school district. Bookstores, while controlled by the district, functioned and continue to function as a separate and distinct student body organization, continuing as an auxiliary organization to the District. Student sponsored activities, while changing from time to time to meet the needs of the students, continue to receive partial funding and support from the Associated Students. There are separate records and delineation of functions between the functions of the District (largely relating to control of the activities and the functions related to these auxiliary student organizations). Nonprofit foundations have risen alongside each of the Los Angeles colleges, serving their specific needs. All of these auxiliary organizations can be characterized as providing flexible, fast, and efficient services or products in relation to the colleges' needs.

When the President of Los Angeles City College, Dr. Louis Kaufman, initiated the Overseas Program of the District in 1972, he found that for the same reasons as the earlier auxiliary organizations had flourished, it was necessary for him to turn to another educational organization for brokerage of the educational program of the Los Angeles Community College District in military locations overseas. Initially, the University of Southern California held a primary contract with the military services, asking the Los Angeles Community Colleges to provide the educational programs as a subcontractor. (Now, that sounds familiar to most of you.) Approximately one year later the University found it could no longer handle the administrative overhead required in brokeraging the Los Angeles Community College District educational programs; therefore, this management function was transferred to a nonprofit educational foundation, the Foundation for Educational Services, which is listed in the CPEC background paper. The Foundation then and now had other interests than simply serving the management of the Los Angeles Community College program. Now, that's important because in the spring of 1975, the Board of Trustees of the District and the military agreed that the serviceman receiving an education would be better served if the District held the primary contract

with the military service. In July 1975, the change was made--the District became the prime contractor and the Foundation for Educational Services the subcontractor, providing, at the district's request, such business and other support services as were desired by the District staff, representing the Board of Trustees. Effective in August 1976, the contract with the Foundation for Educational Services (FES) was dissolved and a new contract with the International Education Foundation was initiated and that broker is also listed in the background paper. The change related to the fact that the District desired a foundation serving its interest with no other clientele. The Foundation for Educational Services, an established organization with several clients, did not wish to divest itself of those other interests. Therefore, the change was made in an amicable fashion, which reflected a continuing trend in the District for more effective control over various aspects of the program. That's the past.

Current status finds, then, two organizations--the district and the IEF--each autonomously fulfilling stated roles servicing civilian education for military personnel at military locations at home and abroad. The organizations are tied by contract which stipulates that the Foundation has the expertise and the personnel to assist the District to implement the program and is willing to provide the logistical support services for that program. It shall provide all logistical support services necessary to sustain the program, including but not limited to (and I've been very careful to try to list some of the things which we thought were important enough in regard to these, so bear with me):

1. Furnishing necessary texts, materials, equipment and supplies as are required for the conduct of the program.

2. Compensating all Foundation personnel, including instructors, assigned to the District's program.

3. Providing administrative support and assistance to the District in several ways:

    (a) Collection of tuition and fees

    (b) Maintenance of a complete accounting and financial reporting system, including such items as:

        (1) Student enrollment by term

        (2) Staff assignments by term

        (3) Budget statistics by month

        (4) Cash flow statements by month

4. Providing administrative and financial supervision, and clerical supervision, as required.

5. Performs other services, at the written request of the District, as may be mutually agreed upon.

6. Next, providing public liability and property damage insurance against risks arising from the program for the Foundation and the District. I might add that before I became a part of this program, as an administrator in one of the colleges, I had four suits against me (as a part of my job, by the way) and one of the first things that I asked (when I became a part of the overseas program) was: "Do I have the protection that I had in the regular college campus?" They assured me that "yes," I did, and that we had additional protection through such public liability and property damage insurance as was provided by the Foundation for the district and the Foundation, collectively.

   The District, however, provides the following, and you'll notice I'm going over this one very quickly because this really is not the primary concern. Remember, I said, "What are the advantages of educational brokerage?"--and among those, this is <u>not</u> included.

   (a) Instructional curricula.

   (b) Programs and courses of study.

   (c) Provisions for quality instructors.

   (d) Providing on-site supervision of instruction.

   (e) Determining tuition rate.

   (f) Preparing and providing to the Foundation a line item budget for each budget period.

   (g) Reimbursing the Foundation for reasonable expenditures.

   There's not one reference to the development of curriculum or the programs themselves by the Foundation.

Auxiliary organizations, as noted previously, tend to grow closer to the educational institution. Their functions are often absorbed by the institution as state laws recognize that necessity. The trend of brokerage of service for the Overseas Program of our district appears to be following a similar path. The Foundation continues to serve an independent role in providing for unique changing needs of colleges. The Foundation best provides flexible, fast, efficient service. A reasonable next step is for state approval of auxiliary status for such foundations as meet the criteria to better serve the changing methods and techniques by which the colleges serve their various publics.

A public institution functioning in its society can be compared to an "ice island." Some of you don't know what an ice island is. There have been pictures from outer space in the recent press showing these above the Arctic Circle; the United States has stationed personnel on ice islands. Their purpose is to find out what the weather is. These things move along from year to year. Some of them are two and three square miles and they serve a purpose until they start moving inexhorably toward the southern climates. So, that's my preface to the point. We serve important functions within our various communities insofar as there is a favorable climate within which we may perform that function. We move to an unfavorable climate and we die. A public institution is different in that respect from an ice island only in that it can change its emphasis and its character to meet the changing needs of the society it serves. The nonprofit educational foundation is an important device for supporting the institution, retaining its flexibility of character to keep pace with the changing requirements of society.

As noted in a Carnegie Report in 1975, for all of higher education the challenge is to do more than survive. Much remains to be done both by individual institutions and by public policy to ensure universal access to higher education to all persons and to reach the creative capability of all society through higher education to solve its many problems. We believe that the method and the system which we are following will best assure our meeting this goal. Thank you.

Benefits of Brokerage
Institutional Perspectives

Dr. Howard White
Executive Vice President
Pepperdine University

I think, at the beginning of the meeting, Dr. Seaton referred to "flights of rhetoric," and I said, at the time, I'm certainly not going to engage in a flight of rhetoric; I will do a verbal crawl, which I shall now begin.

Pepperdine University is an independent institution that enrolls this year approximately 9,000 students in a liberal arts college and in four professional schools. With headquarters at Malibu, we are now in our 40th year of operation. Our institution has operated off-campus programs in California and elsewhere longer than most of the institutions with which we are acquainted. It has always been true that the overwhelming majority of all of these programs have been conducted under our own arrangements in every respect and that we have used the so-called "brokers" in a relatively small number of instances. The two companies with which we are associated have been engaged as consultants in much the same way that we have contracted for the services of a firm of computer experts, the Systems Computer Technology Corporation of Westchester Pennsylvania, to assist us in the development of a computerized record-keeping system. In every case we have been in complete control, but we have sought to avail ourselves of the expertise of those whose knowledge extends beyond the capability that we believe we have in our own institution. At this time we have working relationships with two of the so-called "brokers."

One of these is the Continuing Education Corporation which you have already heard from today and which has been working with us since 1970 in offering the Master of Business Administration degree in a special program designed for presidents or other key executives in business. From our perspective, this company was chosen because our School of Business and Management needed its help in planning its contacts with business leaders, in designing a format for presenting the material of the program that would conform to the time requirements of those who were to be the students and especially because of the expertise of this company in arranging for some of the internationally famous speakers and lecturers who have been included in the program, such as Peter Drucker.

The program that is offered in connection with this arrangement, as I have already indicated, is the Master of Business Administration, and it is currently offered in four locations--in Texas and in California. It is characterized by sequential course offerings in behavioral, organizational and quantitative areas with concentrated periods of study during four trimesters. It requires a thesis that is begun in the first trimester, and that continues through the fourth.

The work of the Continuing Education Corporation involves providing tutors, furnishing administrative support in certain housekeeping chores and arranging meetings, contacting prospective students, arranging for special speakers, and offering such advice and counsel as may from time to time seem appropriate. Academic committees within the School of Business and Management of Pepperdine

University determine the entire curriculum, the deans and associate deans control all administrative procedures, and the regular faculty of the school conducts the academic program. Every course, without exception, is taught by a regular full-time member of the faculty of Pepperdine University School of Business and Management. The internal review and monitoring process, including quality control, is exactly the same as for all other programs administered by the school of Business and Management. The University controls admissions and keeps all student records.

We believe that the services provided by the Continuing Education Corporation have been very beneficial to Pepperdine University in helping us to make contact with business leaders who may be interested in this highly specialized program. We further believe that we have provided an educational program of quality for these students that they have appreciated and through which they have received substantial benefits. Therefore, we expect to continue this relationship with the Continuing Education Corporation indefinitely, although there is no written contract specifying a particular time involvement.

The other corporation with which Pepperdine University is associated is the Rockport Management Corporation of Washington, D.C. Our affiliation with this company began in 1974 and according to the contract will continue into 1979 on the present basis. Before our agreement with this company, we had operated a few programs on military bases and had become convinced that there was a genuine need for the kind of service we could render. The Rockport group was selected because it had a wide acquaintance with locations of military bases, the types of personnel who work with educational programs on these bases, the needs and interests of students, and the multitude of federal regulations that apply. We therefore deemed it advisable to engage the services of this experienced company in arranging the details of our military programs.

In the early days of our relationship with this corporation, we received valuable advice concerning program formats. The result was a development of academic programs featuring sequential course offerings of one course at a time in four or five weeks of exclusive, intensive study per course. We now have these offerings including the bachelor's degree and the master's degree on approximately 50 military bases scattered across the nation. We have worked very closely with the United States Marine Corps. It is possible for a student in the Marine Corps at El Toro to complete a course in May, be transferred to Cherry Point, North Carolina, and take the remainder of his work there without losing a significant amount of time because of his change of location. This is only one of the reasons why such programs are useful to military personnel who cannot always take the time off to go every Monday, Wednesday, and Friday, from 9:00 to 11:00, at the nearest University and get the Marine Corps to promise him that they will not move him until he finishes his degree.

The Rockport Management Corporation helped us develop this format and continue to advise us with reference to the ever-changing and mystifying

government regulations, management procedures, and most importantly assists us in recruiting students.

All administrative and academic activities are under the immediate supervision of the Dean of Professional Studies of Pepperdine University with headquarters on our Los Angeles campus. The internal review and monitoring process involves the Dean of the School of Professional Studies and the Academic Council of the faculty of that school. This is the same dean and council that approves and regulates programs on our Los Angeles campus. All admissions standards, courses, procedures, and activities must meet the approval of this council and its dean. In all of these matters, the Rockport Management Corporation has no part whatever other than reporting information it believes will be of use to us, or making suggestions about improvement in our support services.

We have found the Rockport Management Corporation to be a great help in the early formulation of these programs and in recruiting students. The activities of the company have been conducted along the lines of the highest professional standards, and we have found our association with this firm to be very beneficial. With the passing of time, however, we believe that we have acquired most of the knowledge that we need for the continuation of such programs, and we do not anticipate the extension of this kind of an arrangement.

In addition to the quality controls that have already been mentioned, all of these programs, like other parts of the total academic program of the University, are under the general control of the University Academic Council which is composed of all academic deans and elected faculty representatives from each of the schools. The chairman of this council is the Vice President for Academic Affairs. During the current year he has made a number of visits to various off-campus locations to investigate for himself the academic quality of the offerings at those locations.

For the fiscal year ending July 31, 1976, the tuition and fee income from all programs related to the two companies I have briefly described today total nine percent of the University's tuition-fee income. During the last academic year, the total enrollments for credit in all programs related to these two corporations totaled 14 percent of the University's enrollment in all programs. One percent of the bachelor's degrees granted last year by the University was in these programs, and six percent of the master's degrees that we awarded were connected with these. Our working relationship with Continuing Education Corporation at Rockport Management Corporation has enabled us to render educational services that we believe we were unprepared to render and, therefore, we believe that this has been a beneficial relationship.

Questions and Responses--Benefits of Brokerage

Mr. Jay Olins, Commissioner
California Postsecondary Education
Commission--Question

A public institution involved in off-campus, outreach activities is different than some of the others we've heard from. I was curious--is that program totally self-contained in all aspects? Is there any district funding involved? Who works for whom? There are some implications to those of us who support such activities for our local students.

Mr. W. E. Lewis, Executive Dean
Overseas Program, Los Angeles
Community College District--Response

I thought you'd never ask. Yes, the program is fully self-sustaining. It does not take local property tax funds. The money--you notice I mentioned at one point that the tuition is determined by the district and this is because we have the total budget. You notice several of us up here are concerned with budgets and we have two purposes: one is to serve the students in these extended military service communities; the second purpose is to help all faculty develop programs, and we feel that this is one of the important aspects of the overseas programs for the Los Angeles Community Colleges.

I agree with those who say we must be on a competency-based program, at least at this time. As we assess the overseas program and as we develop competency-based programs there that we may not have developed previously, we think this kind of thing is the value that we gain as a district. We think it's a value, of course, to serve the military community--those people in remote locations. But we have a tremendous value just in the things that are peripherally coming back to the district through program development activities.

Dr. Sanford Elberg, Dean
Graduate Division, University of
California, Berkeley--Question

May I ask the representative of Pepperdine how they are able to deal with locations such as Cherry Point or others which are somewhere distant? How do you employ the faculty? Who are they?

Dr. Howard White, Executive
Vice President
Pepperdine University--Response

The faculty are recruited in a variety of ways. The Cherry Point location, if it is typical--and I use that only as an illustration--I really have no detailed knowledge of that particular location. We typically have a local coordinator who would look simply after record-keeping but all faculty are employed and their contracts are written; and they are selected in our Los Angeles office under Dean Grover Goyne. They are usually faculty from some nearby institution. They are chosen for their academic qualifications and for their good reputations. We maintain their files in our Los Angeles office.

Dr. Robert Swenson, Executive Director Designate
Accrediting Commission for Community and Junior
Colleges, Western Association of Schools and Colleges--Question

I'm wondering to what extent--not necessarily in the three institutions--but generally, such considerations as tenure, reemployment rights, and differential pay schedules may be factors in decisions to contract education of this type.

Mr. W. E. Lewis, Executive Dean
Overseas Program, Los Angeles
Community College District--Response

I think we have to address that. I notice, Dr. Seaton, that this was an important comment in your report. We feel it's very important and we're going to have to tackle that one--we have not yet. We have, in Los Angeles, for example, a difference in the pay scales that we do provide for the people in the overseas locations from those pay scales that we provide at home. This is a subject that is taking a lot of attention--a lot of time. We haven't solved it yet. We think that with collective bargaining with us, that we're going to have to solve it in the near future. I will say that there are differences in the kinds of situations and they have been referred to earlier in the morning. A typical class situation in the overseas program will soon be approximately 11-1/2 students, contrasted with a situation in Los Angeles where you might have 50 or 60 students. But I'm not sure how I can answer your question, except it's one we're grappling with now. We don't have a positive answer as yet.

Dr. Howard White, Executive
Vice President
Pepperdine University--Response

I might say that we do it both ways. We use regular faculty in one of these programs and, of course, they have all the regular rights

that they already had, anyway; and in the other program, we use adjunct faculty to a great extent and they receive remuneration on that basis and have no tenure claims.

Mr. Michael Howe, Dean
Continuing Education
University of San Francisco--Response

It is really very easy for me to answer--we've got collective bargaining. It has been more or less decided. On the basis of sharing faculty members--we may share faculty members between an academic department. If I hire somebody on the outside, then we pay that faculty member the same way as we would pay the faculty member on campus. We don't discriminate between the two. So, for all intents and purposes, our system of pay is about the same as it is for on-campus programs.

Dr. Paul Burke
St. Mary's College--Question

I was interested in Mr. Howe's comments about the University not yet realizing any profit, or to use a more gentile expression, net income, from the operation. It appeared to me, however, that the general tenor of your comments was that this had saved a position for a great many of your faculty and had led to an increase in the quality teaching of the faculty. So it appears to me that while the specific statement was that there was no net income, that there were a great many specific benefits, some of which certainly serve the economic benefits as a result of the program. Is that correct?

Mr. Michael Howe, Dean
Continuing Education
University of San Francisco--Response

Yes--I guess what I was trying to say was that we have increased income; there's no doubt about that; but, on the other side, we have increased expenses. We've taken our programs and changed them and we've taken our existing resources and converted them; that's critical. We had existing resources that for all intents and purposes would have been released had the programs not developed the way they did. As a result of their development, we were able to retain the faculty and therefore divert our resources into these programs. Likewise, we were also able to divert staff that we would have had to let go. Most of these people work in other departments of the University; in other words, we have not had to hire a lot more new people. I'd say maybe 90 percent of the staff and faculty are people that we've had on campus already. Ten percent of them are new people.

Dr. Ralph Mills, Dean
Continuing Education
The California State University
and Colleges--Question

This is an intriguing question (at least it has intrigued me) about off-campus programs, and I have been involved in them for some time, observing them.

At a place like Cherry Point, for example, particularly when the institution is operating programs far from its campus, where regular faculty are not regularly involved, how do we deal with that aspect of the institution of higher education which we've valued for so many years--the fact that it's a community of scholars and that the students are associated with the community of scholars and scholars associate with scholars. What about programs in distant locations where, yes, we review their papers, we set the curriculum on campus, we govern it from the campus. But are those faculty out there associated with each other in the normal sense of the department, where they share their problems, talk about their students and the impact of the curriculum on those students as opposed to being guided 3,000 miles away by faculty who are not experiencing those same things? Thank you.

Dr. Howard White, Executive
Vice President
Pepperdine University--Response

The honest answer to that question, of course, is that the kind of community you make reference to does not exist in the traditional way. There are relationships among faculty members--they meet in conferences, they know each other, we have a roster--we don't just have a different person every time. Next week, in Los Angeles, we're having a meeting with a lot of the people who will be brought in from the whole nation. We feel that they know each other in many ways, and the supervisors of the academic people who work with them, have included, for example, for a long time, a person--an educator--who travels among them and works with them all of the time. So, obviously, if they're traveling a great deal, they do not have that relationship that would be highly desirable. I think our view would be that many of these young people would be getting nothing without this program; we are convinced that they're getting something that is worthwhile. And I believe that anybody who would go to the United States Marine Corps and tell them that the program ought to be dispensed with would have an awfully tough argument on his hands.

Mr. W. E. Lewis, Executive Dean
Overseas Program, Los Angeles
Community College District--Response

Your question really touches on what we consider to be the most important aspect of our entire overseas program. We did not discuss it here because it did not relate to the basic question that we're asked to address. But this is something on which we probably spend more funds, more time, more effort, than on any other individual project, from the district point of view.

Brokerage--Cause for Concern;
The WASC Advisory

Dr. Ellis McCune
President
California State University, Hayward
Commissioner
Senior Commission, WASC

I think I am here today as a result of bad planning--some bad planning on my part, that is. Both the chairman and the vice chairman of the Senior Commission had other commitments today and were unable to be here today. So I was asked to come as a representative of the Senior Commission. I think I should qualify one thing. Reference was made to WASC. The Western Association of Schools and Colleges is actually composed of three separate accrediting commissions. There's the Accrediting Commission for Secondary Schools, the Accrediting Commission for Community Colleges, and the Accrediting Commission for Senior Colleges and Universities. I have been, for the past two years, a member of the Accrediting Commission for Senior Colleges and Universities, and it is that Commission that I'm representing--I'm not really representing WASC, i.e., the other two Commissions, at least the Community College Commission has a representative here, and I don't think that the problem we're discussing today is particularly germane to the business of the third Commission.

What I want to do is give you a little bit of background about accreditation and then talk more specifically about the Commission's policy statements concerning contract education, which is generally the phrase that we have used, rather than the term, brokerage. Originally, as I understand it, the Senior Commission had agreed to co-sponsor this particular conference. That action was taken on the understanding that other regional accrediting associations would join the Western region in this respect. Because of financial constraints and time problems the other associations did not find it possible to participate today, and a suggestion from the Western Commission that the meeting be postponed was not accepted, so we are here today; we are pleased to participate in the gathering and we'll be interested in seeing the proceedings. Initially, I think, it ought to be noted that the Federation of Regional Accrediting Commissions, back in 1973, adopted some interim guidelines on contractual relationships between accredited institutions and nonaccredited, independent entrepreneurs. All the regions--all of the accrediting regions in the United States are using this policy, currently, but there are, apparently substantial differences in the interpretation given to the policy by the various regions. I'm informed, for example, that in the southern association though several contracts have been presented for approval by the Commission, none, to date, has been accepted. The problems that have faced accrediting commissions in recent years have come to be very numerous. I think everybody understands, but, if not, I'd like to say that traditionally, Regional Accrediting Commissions have followed the practice of accrediting the entire institution. That is,

accreditation is an institutional action, not a program action. The Accrediting Commission does not go into an institution and say, well, we'll accredit their programs in business administration and in education, but we will not accredit those in history and political science and English. Once accreditation is granted, it covers the entire institution. Whether that policy should be changed is a matter of discussion, I think, in accrediting associations across the country, partly because of the kind of problem that you're addressing here today. In the last 30 years, the whole process has become increasingly complex and accrediting commissions have been subjected to increasing stress and strain.

Back before World War II, almost all institutions were geographically self-contained. All their programs were offered at a single location and although there was some diversity among institutions, ranging from large, to small, public to private, and so forth, each college and university generally had clear, stated objectives and confined the programs that it offered to the attainment of the goals that were contained within that statement of objectives. Accreditation was thus a fairly simple process--of a team reviewing the institution's goals and objectives, reviewing its organization, its staffing, its financial base, its programs, to see whether it was actually accomplishing what it said it was accomplishing what it said it was accomplishing and was thus representing itself fairly to the public and to other institutions who might accept its credits for transfer. After World War II, the demands of meeting the needs of veterans caused institutions to expand facilities very rapidly, and frequently to them to extend their offerings to locations off the campus.

In the 1960s and early 1970s, we saw the emergence of a lot of nontraditional institutions--they were experimental, innovative, new methods, new forms of instruction, taught new kinds of things, and, again, confronted accrediting commissions with new kinds of problems to deal with, quite different from those they had traditionally handled. All of these things complicated the process, caused commissions to try to find ways and means of evaluating the programs, judging them adequately and making reasonable decisions on accreditation of such activities. Particularly the expansion of off-campus activities has complicated life for accrediting commissions. It has been necessary for commissions now to send larger and larger teams to an institution and to break those teams up into subteams to go out and visit the outposts of the educational enterprise and to develop new ways and means of trying to judge the adequacy of the programs there. Along with this, it has been necessary for commissions to begin training programs to try to train evaluators. Back before World War II, when we all knew what we were doing, we didn't have to train evaluators, but now it's become necessary to try to school evaluators so they can meet the kinds of problems they will face. I think that the need to develop new methods, new forms, new guidelines, new procedures, to meet these changed conditions, has caused most of the friction between accrediting associations and institutions in the last several years. Very often, the time needed to develop new proposals and new procedures has not been understood. The questions that have been asked of them have been interpreted as hostility to the idea, and so forth. But nonetheless, all of the associations have been trying manfully

to meet these new demands and to develop new policies to deal with the new conditions. During the past five years, in particular, the Senior Commission of the Western Association, which includes--I guess you all know this--California, Hawaii, and the Pacific territories, has developed new policies to deal with such things as continuing education and special programs, educational programs in military bases, the accreditation of graduate work, we've been faced, for example, with the emergence of freestanding graduate schools--schools which offer graduate programs but have no undergraduate colleges, a totally new development. The accreditation of operationally separate units, a policy on substantive change in an institution, policies on credit for prior learning, accreditation of nontraditional study, standards for innovative programs of those serving new clientele and a policy on study abroad.

These policies have all, I think, specifically, urged institutions, encouraged institutions, to try to expand educational services and to adopt innovative practices; for example, the policy on educational programs on military bases, says: "The Regional Accrediting Commissions are pleased to note that military services are very much aware of the critical need for well-educated manpower and fully endorse the development of educational programs on military bases designed to provide for personal and professional growth of personnel through educational courses and programs in cooperation with accredited and candidate postsecondary education institutions."

Policy on credit for prior learning experiences recognizes that learning can take place in a variety of ways and settings, that students today cover a much broader spectrum of age and experience than they used to, that demonstrable learning can occur in other than the traditional academic setting, that may be perfectly creditable educational testing and that such learning if related to the goals of the student's education and compatible with the purposes of the institution, should be credited.

The policy on accreditation of nontraditional study should encourage innovation and imaginative approaches to providing quality education in a new institution, or those already accredited. I could go on with examples from recent Commission policy statements that have attempted to encourage institutions to do new kinds of things and have attempted to develop procedures and guidelines for evaluating the results of those new attempts, since the Commission, as I said previously, evaluates a total institution; however, it must hold the institution responsible for the quality of all programs. So, in consequence, the Commission policies provide that specific programs, including those offered under contract with nonaccredited institutions, be under the clear and demonstrable control and supervision of the institution itself, and meet the standards, general and specific, that apply to the institution, as a whole. Clearly, if accrediting associations were to adopt the practice of accrediting pieces of institutions, accrediting some programs and not others, this sort of thing would not be necessary. It would simply say, "this is accredited, that isn't," so that the public would know precisely where it stood. But, so long as the policy of institutional accreditation is followed, then this Commission policy, I think,

will have to necessarily be followed, that is, holding the institution responsible for control of all of the programs that are offered under that institution's name and for which that institution's credit is extended. So, the Commission's position, then, is that all continuing education and special programs offered by an institution should have, and I quote: "Clearly defined purposes and objectives, adequate administrative organization, a sound financial base, a competent faculty, sufficient and adequate facilities, and effective and systematic evaluation within the framework of the stated purposes and objectives of the program. And that those objectives obviously should be consonant with those of the institution."

Now, against that sort of hasty summary of some of the principles and problems of accreditation, the major provisions of the Senior Commission's policy on contractual relations may be somewhat better understood. First, it provides that an institution, which is planning to offer a cooperative program, leading to a degree or certificate, is required to submit to the Commission, under the policy on substantive change--this being viewed as a substantive change--required to submit to the Commission the description of a proposed program in advance of a program being announced, or offered. That statement is supposed to include a description of the nature and purposes of the proposed activities, the relation of those proposed activities to the objectives of the institution, some evidence of the need for the program and a budget and other financial information showing that there are adequate resources for financing the program. It's also supposed to include information on the governance of the program and administrative organization, description of the educational activities that are to be offered, proposed student services, tuition and fees, refund policy, and all the things that you would expect to be there. Now, the Commission has adopted some special standards for use in evaluating such programs. These include that the program should combine the educational strengths of both institutions; that is, the accredited institution and the contractual partner. The academic contribution of the nonaccredited partner should complement or supplement the accredited institution, rather than provide a focus in new areas in which the accredited institution lacks academic competence. An extreme sort of example of that, I suppose would be a college which had been a four-year undergraduate, liberal arts college for many years suddenly contracting to offer a doctoral degree in, let's say, medicine, or in some other area in which it had no experience or competence. Secondly, the accredited institution should possess faculty and administrative resources adequate and assigned both to administer the educational program and to evaluate it. Degrees, certificates, and courses to be offered and the number of credits and the level of competence required for the successful completion of these should be--must be--determined in advance by the accredited institution, in accordance with institutional procedures and under the usual mechanisms for review; that is, the same way any other program would be. Facilities and location of the facilities must be adequate for the program, and I suppose, most important of all, perhaps, the

accredited institution must have ultimate continuing control of the program. This should include responsibility for performance, various control functions for the educational offerings, provision for review and approval of the work performed by cooperating institutions and for student recruitment.

During the past two years, a source of some of the difficulties, I think, the Commission has received numerous complaints--the Western Commission, that is; I should say that if there is any tendency to think that this problem is unique to the Senior Commission of the Western Association, that view is incorrect--this is a nationwide problem.

I've had the privilege for the past two or three years of serving on the Accrediting Commission for Senior Colleges of the Northwest Association and it's faced with precisely the same problems and struggling with the same questions as the Commission here. What I'm saying is true across the country. The Western Commission has received a number of inquiries and complaints about the standards and quality control of off-campus and contractual programs. These have come from several sources, from school districts whose teachers have taken courses in the programs and presented the credits for salary increases, and they've come from municipalities, municipal governments, whose employees have similarly taken courses and wanted to offer the credits for salary increase purposes, they've come from other colleges and universities, who have questioned the acceptability of work done under standards which sometimes appeared to be less rigorous than those in effect at their own institutions, and we've even got some complaints from dissatisfied students. Nationwide, the Council on Postsecondary Accreditation noted last October, and I quote: "There is increasing evidence that at least a handful of colleges and universities have established off-campus degree programs (including some operated under contract) that are not equivalent, academically, to similar programs on campuses, and further, that they have allowed these off-campus programs to operate without adequate supervision by the sponsoring institutions."

The Senior Commission of the Western Association has also found some instances in which institutions in the area that it serves have been operating contractual programs which don't seem to conform to the Commission's basic standards. These are some illustrations: some programs have been started without proper notification to the Commission. Some programs have been contracted for without involvement of the institution's faculty and without utilizing the established channels for curriculum development on the campus. In some cases, the Commission has found faculty members at the institution did not even know that the programs were in existence. In some instances, evaluation of applications for admission has been virtually delegated to the contractor, the institution abdicating responsibility. In some cases, institutional procedures for the selection and approval of faculty have not been followed for the contract programs.

Some programs that have come to the Commission's attention seem to bear no relation to other programs offered by the institution. In some cases, recruitment appears to have been conducted--that is, recruitment of students--in something less than a professional manner. In some instances, grading standards have been excessively liberal and not consistent with those in effect in other programs at the same institution. In some cases, what appears to be excessive credit has been granted for prior learning and for life experience.

On the other hand, I think it's equally obvious that many institutions with contractual relationships are offering work that meets the Commission's standards, are exercising adequate administrative and quality control, and are encountering no difficulties. But because of the inquiries and the complaints that the Commission has received, it has appointed a committee on contractual relationships to survey the whole problem--the whole field and to recommend changes, if it feels they are needed, in current standards and policies being pursued by the Commission. My point in this is that the Commission is very much concerned about this particular problem and very anxious to develop adequate means--means that are satisfactory to all concerned to deal with this new form of educational service. When this committee's report is ready--I believe it is expected to be ready some time this summer--it will go to the Commission--that may not be accurate--that was my understanding and I'm not certain that that's correct, but it will go to the Commission for study and will then be circulated to all the member institutions through the institutional accreditation liaison officers. The comments and suggestions received from the institutions will then be reflected in a revision which will be discussed at a meeting of liaison officers, and after that group has dealt with it, it will then finally go to the Senior Commission for action. The Commission is in the process, also, of collecting information and copies of contracts in effect at institutions in this region.

The Commission, as I believe you know, requires an annual report from each accredited institution, and in connection with that annual report, it hopes to acquire information about contracts. The fact of the matter is that at the moment, the Commission does not even know how many contracting agencies are operating in this area, but we expect to have a better idea when the current annual reports, which do now call for this information, are received. I believe they're due by the end of this month. These data will also be referred to the committee that is studying contractual relationships. In April of last year, 1976, a memorandum was issued to the chief executives of all member and candidate institutions in the western region urging them not to proceed with the development of new, additional contracts until further study had been made. This was followed by another memorandum in July announcing continuing concern over the quality of some of the programs being offered through contractual relationships, and announcing the formation of the committee to which I've just referred. In February, just three months ago, the Commission sent out an advisory memorandum on contractual relationships, notifying institutions that this question of contract education was under study and asking them to do several things: First, to examine carefully existing contractual programs to determine whether or

not they conform to the Commission's standards and guidelines and, if not, to take action to bring them under conformity. Secondly, to examine those contracts to see how they might be modified if more stringent standards were adopted by the Commission. Third, to refrain from renewing existing contracts or entering into new ones until the new standards have been developed and adopted, I'm making clear, I think, that it's not the Commission's intent to try to exercise sanctions or to eliminate contractors. I hope that my remarks make that clear. It is seeking to develop workable standards, develop guidelines, and develop policies which will encourage innovation, and at the same time maintain the credibility of accreditation and the validity of academic credit. And I assume that those are objectives which all institutions of higher education would subscribe to. Any future actions will await future Commission deliberation. Those could range all the way from revocation of the present policy which I personally would consider to be somewhat unlikely, to a revision of the policy that would require a more rigorous control of quality, and administration by the accredited institution. Or possibly, that which would be a radical departure from past practices of accreditation, the establishment of some new mechanism for the separate accreditation of contractual programs, and perhaps certain other kinds of programs.

The development of new standards for accreditation of contractors themselves would be another possibility which might enable them to contract with any accredited institution as independent accredited agencies. This would also be something of a departure. I think that my conclusion would be—and I hope I'm not taking too much time than I was supposed to—I think that the Senior Commission is concerned primarily with questions of educational quality and with ways and means of ensuring that what institutions say they're doing is an accurate representation to the public and to other institutions. If an educational delivery system meets the needs of its student population and also maintains acceptable standards, there should be no problem with its place in higher education being assured and being recognized by the appropriate accrediting agency. Thank you.

Response to
Brokerage--Cause For Concern;
The WASC Advisory

Dr. Gary Swaim
University of Redlands

I am pleased for the opportunity to participate in this open forum and to represent the University of Redlands as higher education seeks to address issues surrounding contractual agreements between accredited institutions of higher learning and nonaccredited, and in this particular instance, for-profit organizations. I am especially pleased for the format of this occasion (its being an open hearing, allowing those parties most directly involved in the issues at hand the opportunity to freely voice their various points of view). May I state, personally, my conviction that more such open hearings should be encouraged for the purpose of acquiring complete and accurate information on whatever issues are at hand. Again, my appreciation, especially to Dr. Craig Seaton and the California Postsecondary Education Commission for calling us together.

Allow me a few moments, if you will, please, for an historical perspective of the University of Redlands' association with nonaccredited, for-profit organizations. Let me begin with 1971, at which time, under the direction of President Eugene Dawson, the University of Redlands established programs designed to meet the educational needs of a wider constituency than heretofore addressed. By direction of the University Faculty Senate and with the approval of the University Board of Trustees, a Division of Special Programs was created and given a special mission: The education of the mature, fully-employed adult student. And this student primarily, though not exclusively, at off-campus locations, all in the State of California. Over approximately a five-year period, this Division of the University, following each University of Redlands policy regarding curriculum approval and faculty selection and, in fact, selecting approximately 75 percent of its instructors from among resident faculty . . . this Division conducted its educational outreach in the spirit and letter of guidelines established for off-campus programs by the Western Association of Schools and Colleges. The program grew. It was meeting the educational needs of students whose needs had not been met before, by reason of scheduling limitations primarily, and I should add that though the program grew, it certainly did not become the size of many institutions who are involved in postsecondary education. We are not a UCLA, we are not a USC, in terms of size.

With the growth of a new constituency for the University of Redlands came the reorganization of the University system and the establishment of a separate College (under the University-wide administration and Board of Trustees) that would be more responsive to the requirements of adult students than existing colleges could be when their constituents were largely resident students, age 18 to 21. And with the establishment of

Alfred North Whitehead College of the University of Redlands came the charge from our Board of Trustees to further meet educational needs among mature students, both in liberal and career studies. It is at this juncture, in 1975-76, that the University of Redlands entered into contractual agreement with the Institute for Professional Development. And it is apparently at this point in time that, as our topic for this hour suggests, we (along with numerous public and private institutions throughout the United States) seem to have given accrediting associations "cause for concern." I would like to review some of those apprehensions outlined in various communications from WASC, and I can do so, of course, only in the context of the contractual relationship existing between the University of Redlands and the Institute for Professional Development. This is the only contractual arrangement between an institution of higher education and a for-profit organization with which I have complete familiarity.

Let me direct you to the WASC memorandum of July 1976, and to its distillation in the draft report on "educational brokering"--by the way, a term which I, too, am not terribly excited by--prepared by Dr. Craig Seaton for this forum. Eight causes for concern are enumerated. I wish to examine each against the University of Redlands' one and one-half year background in M.A. programming contractually and an approximate one-year background in B.A. programming contractually.

Cause for concern number one--the awarding of excessive academic credit for on-the-job training and life experience. The University of Redlands, through its on-campus Assessment Center staffed by on-campus administrators and faculty, carefully reviews student portfolios containing documented career experience evidence for possible credit awards. In no instance is experiential credit awarded to students in a master's degree program. In the instance of our baccalaureate degree, to date, an average of 26 semester units have been awarded degree candidates, an average of 14 semester units have been granted in certificated or professional learning as recommended by the ACE Guidebook and other professional review guidelines, and an average of 12 semester units in extra-institutional learning as reviewed and granted or denied by University faculty. With each student, learning acquired must be demonstrated. It is not enough to merely have been on the job or to have breathed air to receive "so called" life experience. Demonstrable learning!

Cause for concern number two--insufficient class contact and preparation hours per unit of credit awarded. Clearly, the question of classroom "seat time" is the issue. But "seat time" should no more be equated with "learning time" than one's age or occupation should be equated necessarily with academic equivalent learning. Neither, of course, should the potential for learning in either instance be denied. Necessary to the education of students enrolled in Whitehead College's baccalaureate and master's degree programs is the fusion of theory and practice, resulting in the involvement of students in a laboratory or internship experience. A minimum of 250 verifiable and supervised hours in this internship or field

experience complements theoretical study conducted in weekly classroom sessions. Classroom and field activities, theory and practice, interact to meet educational needs realistically for the mature student, and one can be judged no more significant than the other. Each plays a vital role in the student's educational life. Essential to keep in mind here is a policy statement taken from a 1976 publication of the Council of Graduate Schools in the United States: "Broadly speaking, the Master's degree indicates that the holder has mastered a program in a particular field sufficiently to pursue creative projects in that specialty . . . the degree should be awarded for completion of a coherent program designed to assure the mastery of specified knowledge and skills, rather than for the random accumulation of a certain number of course credits after attaining the baccalaureate. I should probably add, at this juncture, as well, that in association with both of the former points, Dr. Paul Dressel of Michigan State University and a consultant to the University of Redlands for a number of years, upon reviewing the activities upon which we have been engaged regarding the granting both of credit for experiential learning and also the matter of our involvement in internship programs, stated specifically that he felt the University of Redlands was most conservative in its approach to such an issue and I would also add that it is our intention to remain so.

Cause for concern number three--the accuracy of program descriptions in institutional bulletins is not all that it should be. As with all programs conducted by the University of Redlands, information descriptive of institutional offerings must be approved by appropriate University administrators, and must present with scrupulous integrity all details of that program. It should go without saying that an institution's academic reputation can only be severely damaged if that institution is less than candid in its representation of any matters pertaining to students.

Cause for concern number four--the manner in which programs have received institutional approval. I must assume that because of this concern as well as others raised in this area, that certain institutions have not followed appropriate program approval procedures. In the instance of A.N. Whitehead College of the University of Redlands, every program must be presented before the Whitehead College Faculty Council for its approval and the Educational Policy Committee of the University Board of Trustees. Without the approval of both bodies, no program can be presented or advertised. Each of these bodies, quite apparently, is thorough and possesses impeccable academic expertise. The Whitehead College Faculty Council itself is composed of faculty members from all three Colleges within the University system. Approval, then, is no easy matter; neither should it be.

Cause for concern number five--a general lack of on-campus involvement in programs. Contractual programs conducted by Whitehead College draw upon the faculties of all three Colleges in the University of Redlands'

system. Additionally, adjunct faculty, appropriately qualified, and most possessing the earned Doctorate, complement the regular teaching staff. On-campus faculty are further involved in Whitehead College's contractual programs through membership in the Whitehead College Faculty Council and/or through membership in specific program committees established for each degree program. Responsibilities in these committees include the review, revision, rejection and/or adoption of curricular materials provided through the assistance of the Institute for Professional Development, as well as the creation of new curricular materials. By no means do we regard any current curricular materials as cast in concrete. We are keenly aware of the continuing need for changes and are constantly in the process of making them.

Cause for concern number six--an apparent granting of operational control of programs to nonaccredited organizations. As I believe can be seen from my earlier comments, the University of Redlands maintains both contractual and real control over any and all programs offered under its accreditation. Continuing on-site supervision by University administrators and faculty is an essential element of that control.

Cause for concern number seven--financial arrangements between institutions and nonaccredited organizations. I should state at the outset that I regard such arrangements as primarily the concern of the institutions involved. However, it is deemed possible that some for-profit organizations might abuse students and/or institutions financially without appropriate safeguards. Whitehead College's administration, the University of Redlands' administration, and the University of Redlands' Board of Trustees are imminently satisfied that neither student nor the University itself is in danger of financial abuse. Fairness is the hallmark of the University's dealings with students and the Institute for Professional Development's dealings with students. Additionally, all faculty are paid by the University of Redlands, not the contracting agent. Control, therefore, over the instructional and administrative components of contractual programs rests with the University itself.

Cause for concern number eight--qualification of faculty engaged by nonaccredited organizations. As stated earlier, Whitehead College is composed of faculties from all three Colleges within the University system. Additionally, adjunct instructional assistance is sought to complement resident staff. In all instances, those requirements necessary for instructional staff selection by residence colleges are appropriate and necessary to the selection of adjunct staff for Whitehead College. Each instructor must submit to thorough review by College administrators and faculty and is approved finally by a University Board of Trustees appointment. Each instructional staff member must have earned (at the minimum) a Master's degree in his or her field. Most hold the earned Doctorate. Of interest is the fact that the University of Redlands' contractual programs are taught by an equal, if not slightly greater, percentage of instructors holding Doctorates than is the case on campus.

Additionally, it should be stated that no faculty in the employ of the University of Redlands are engaged by a nonaccredited organization; all are engaged by the University itself.

Now, lest I leave you with the wrong impression regarding the University of Redlands' attitude toward the concerns I have just cited, let me state that though we have sought in all instances to comply fully with each guideline established by the Western Association of Schools and Colleges (and have been successful, we believe), we are confident that in all areas of educational programming there is need for improvement, strengthening, and change. And with the reputation enjoyed by the University of Redlands, you may rest assured that our institution shall continue to evaluate all of its activities, including contractual arrangements. To date, however, the services of the Institute for Professional Development (in the areas of curriculum development, data retrieval and clerical services) have enriched resources available to the University, in tune completely with the spirit of the 1975 advisory on contractual relationships from the Western Association of Schools and Colleges.

What then are the causes for concern? If accrediting associations are concerned that academic charlatans are emerging upon the scene, we, too, are concerned. If accrediting associations are concerned that the consumer is endangered by academic pirates stealing from students and institutions alike, we, too, are concerned. But our contractual association has suggested no such cause for alarm. I can speak only for the one contractual arrangement with which I am acquainted, however. What others might have done or might intend to do in an academic setting is, in fact, beyond my knowledge. But let any guidelines governing contractual arrangements between educational institutions and nonaccredited institutions, the necessity of which the University of Redlands firmly supports, be guidelines aimed at charlatans, aimed at those who would devalue the worth of higher learning. And let those guidelines be established only after appropriate research, dialogue (among all involved parties), and unbiased evaluation have been completed.

Dr. Wayne Henderson
Western Management Institute

I would like to express my appreciation for being able to attend this session. I hope it's a prologue--that there will be more dialogue, and that there will be an opportunity to discuss these kinds of things because I feel--even though I am relatively new in this field--I feel that probably there may be some reasons why I should not be involved in this kind of a thing. Let me give you just a brief background. About 1958, as a member of our State administrative organization, we were concerned with the problems facing us in the public schools and, of course, they came to a very early climax in 1965 and on when the kinds of things that we had

never experienced before were available to us—I guess that's a term to use— and we, as educational leaders in the public elementary and secondary schools of California, did really not know how to cope. And so we began to examine and, at that time, we went to the universities, the State Universities, the private institutions in California, and asked them to assume a responsibility for, if you would call it "renewal," to examine with the educational leaders the kinds of ways that we might solve some of the problems that we faced.

It was a situation in which I think we arrived at a period of time with approximately four State Universities and one private institution assuming something—some kind of a program as related to renewal for the educational leader—and when I speak of an educational leader, that would be a teacher or a superintendent. And so we then began, and because of the fact that there were constraints upon the State Universities, especially, these programs within a period of two or three years, began to disintegrate and disappear; and so, consequently, we found ourselves again in a dilemma. So it seems to me that the educational broker per se emerged, whether as a consultant or what-have you, because there were crises in the California public elementary and secondary schools, and there needed to be some strategy and skills and some awareness of values that came to the front and needed to be renewed and revised, and they began to develop a plan whereby there could be some positive kind of relationship, not only with the students of the schools of California, but also with the rest of the professional staff. I think that you are very aware of the controversy that has arisen as a result of the R.I.S.E. Commission recommendations. And, of course, one of the problems that we face there is that as we have done so many times, we have completely ignored the student and his/her perception of the way we are.

I think, as an educational broker, that it is impossible for anyone to remain in this field because of the fact of the astuteness, the political reality, the sharpness of the students that are going into these programs, they are not satisfied with an incompetent situation and it is very readily discernible and it is understood and it has been said earlier today that they do not last long. So, again, the accountability is in direct relationship to the constituency we serve.

Again, as I say, there was a dramatic need during the late '50s and '60s for a change that was different, but a change that was better. And it appeared, as we went to the higher education institution, that we were not able to have them move from one point, and this is an understandable kind of a thing. And so the presidents and the administrators of these institutions began to seek a way to go around the inertia that was involved within their own institution, and there is no question that the educational broker has filled a gap that was so very necessary. I think it is very important that everyone be conscious of the fact that anyone who is in an institution of higher education—and I've had the privilege of teaching in four of them in the State of California—that they're very conscious of the need for a check and balance system which provides for the remedy of areas of concerns that are not being effectively addressed. There's no question that we need this kind of support and WASC certainly can assume this responsibility in a very effective way. It would seem to me to be true

that, as I read in Dr. Seaton's paper, there appears to be a considerable amount of room for dialogue between WASC and the constituency that they serve. And this seems to me incongruous with Dr. McCune's comment that there would be what in essence is a moratorium on any further brokerage arrangement until some further study had occurred. It seems to me that this kind of an attitude should be set aside until a dialogue has been completed, and I would say that this would take some period of time before we can effectively understand each other. As I sit here, I sense a feeling of compatibility, I sense a feeling of frustration, I sense a feeling of divergent points of view that are as yet unsaid. These things need to be stated. I don't think that the educational broker that is serving, for example, a great institution as I happen to serve--Western Management Institute is not Western Management Institute, Western Management Institute is St. Mary's College. Our role is to serve <u>their</u> purposes, which is to serve a greater community, whatever that community design might be in terms of the kinds of things that need to occur. I have known a no more valuable learning experience in my 39 years in public education than the experience that I'm participating in now, with the college. I think that you people that know St. Mary's College know the quality of program that they present even though they are not a large institution and they do not graduate a large number of people. I think that this sophisticated check and balance system that is available to us needs to be reexamined. I would be very concerned that WASC and the Postsecondary Education Commission examine the reason why these brokerage firms came into existence. I think that one of the things that I would like to have them do is to examine the institutional frame to determine what were the deterrents that made it impossible for them to do some of the things that needed to be done in the time of crisis in California education. I think this is an imperative, and again this could be a part of the dialogue. I think that the concept that quality assurance is with us--we want to be a part of it--I know that we have a commitment to the youngsters of California, and I think that any kind of thing that is gross, that is irrelevant to that goal needs to be challenged and should be, but it should be specific in nature, it should be well designed and it should be on the basis of a dialogue between the participants who may not be functioning as well as any accrediting agency or the Postsecondary Education Commission desires.

Dr. Kenneth B. O'Brien
California Postsecondary
Education Commission

On behalf of the Postsecondary Education Commission, I would like to say that this has been an instructive day indeed. I think a lot of the things that we're attempting to wrestle with are the same kinds of things that the Senior Commission is wrestling with at the same time. I appreciate and am sympathetic to Ellis's outline of the problems that he has stated in attempting to accommodate within the

accreditation process, the new and sometimes very chaotic things that we know as nontraditional, off-campus, contractual relations, and all the rest of it that's grown within the last five, six, seven to ten years. As a former elitist, perhaps with a few tinges of that left here and there, I was concerned, as a matter of fact, when the Regional Accrediting Associations in the first place went beyond the policy of fixed standards. In the old days that Ellis talked about--and I feel you remember those days when we knew what we were doing--there were some nice fixed standards to which we could go--you know--"How many books do you have in the library?" "How many Ph.Ds do you have on the faculty?" And all institutions looked somewhat alike. However, that's way back and the associations, both the Western Association and other regional accrediting associations, I know, have attempted to solve that kind of a problem but the schizophrenia is still there. It's still there as evidenced by some of the remarks here today, and certainly it's still there in the minds of many within the institutions and within the accrediting associations. Now we're trying to develop a new policy, not only on contractual relationships but on nontraditional education, innovative education--what is it?--and so forth.

And here I'd like to link my comments with both Ellis's and Ken Young's comments this morning. This morning Ken Young remarked that the way in which COPA attempts to define innovation is through those institutions that give the accrediting associations trouble and Ellis has said that one of the main impulses behind what some of the accrediting associations are doing today is to help the institutions define innovation, nontraditional forms, and so forth. I see some conflict in those two statements, and I think that if the associations can take a real leadership role to help us out in terms of what to do with contractors, what to do with innovation and nontraditional education, perhaps they can establish a more definitive kind of idea what it means, and not by defining it in terms of those institutions which give them trouble and which lie outside the pale. And I know they're attempting to wrestle with that problem, too. Another thing that I was somewhat disturbed by and I'd certainly like to hear some more discussion about it is that the Senior Commission of WASC and its new policy, not yet a policy, does not look with favor upon institutions combining with contractors to go into programs or areas in which they have no, and I think I quote, "demonstrated competence." Does this mean, for example, that institutions who do, in fact, wish to develop new avenues, new arenas, new areas, which they have not entered before, or which opportunity might be thrust upon them should not do so? I used to be a president of a small college that all of a sudden inherited a school of nursing, and there was certainly nobody on the faculty or the administration that knew anything about nursing--we found out very quickly because they were very positive ladies. And so, had we attempted to do this through a contractor in an area where we did not have any expertise but thought we could provide a service, since nobody else perhaps was doing it, does this mean that this would not be looked upon with favor, particularly if contractors are involved in it?

I certainly think more study and more analysis of this has to be made. Finally, I think I would certainly subscribe to some of the comments made earlier, both by people who are contractors and those representing institutions, that this kind of meeting should be repeated. I hope it's been as informative to others as it has to the Commission. A public dialogue, trying to find exactly what the consumer wants, what the contractors want, and what, how, these can be accommodated within the very important quality assurance that accreditation provides is an important and worthwhile task for all of us.

Questions and Responses

Dr. John Sperling
Institute for Professional
Development—Question

As I indicated in my remarks, I want to pursue the issue of due process. I'd like to have Dr. Young involved in this series of questions. First, I'd like to ask a representative from WASC, who is on the Committee dealing with contract education?

Dr. Leo Cain, Associate Director
Senior Commission, Western Association
of Schools and Colleges—Response

This is a committee appointed by the Commission which is composed of representatives from institutions within the constituency of the Commission. It includes both public and private institutions.

Dr. John Sperling —Question

Is there anyone on that Committee that's had any direct experience with contract education, either as a contractor or one who represents an institution that makes use of the services of a contractor?

Dr. Leo Cain—Response

Yes.

Dr. John Sperling —Question

Secondly, how often has the Committee met?

Dr. Leo Cain —Response

It has met approximately three times.

Dr. John Sperling --Question

And was it the Committee that suggested Dr. Anderson's advisory memorandum?

Dr. Leo Cain —Response

It was discussed and reviewed before it went to the Senior Commission.

Dr. John Sperling —Question

And now I have a question for Dr. Young and that is the matter of the Federal Register and the requirement for the input of people that are considered constituents of the accrediting commissions.

Dr. Kenneth Young
Council on Postsecondary
Accreditation—Response

The regional associations are membership organizations; membership consists of accredited institutions. The U.S. Office of Education engages in a recognition process of accrediting bodies and could take the position that in addition to representation from member institutions, accrediting commissions, should have representation of the general public. That's, as you can imagine, been hard to define—who is a member of the public and what do they represent, and how do they get on commissions? This is an issue that is still under great discussion. COPA did sponsor an occasional publication, written by William Seldin, former director of the National Commission on Accrediting, called Accreditation and the Public Interest, which takes up this issue. I would say that accrediting bodies, despite the fact that they are membership associations, because of the kind of work they do, and because implications of it, that they are quasi-public organizations. This means that they are not public in the sense that the Legislature, or the Postsecondary Education Commission is public, but that they have a role that has implications for public policy, and public concern. Therefore, it must act as a public body. So that in that sense, as these organizations develop criteria, develop policies, and carry them out, I suppose the Office of Education would be concerned that this is accomplished in a manner that provides every opportunity for individuals and organizations who would be affected by those policies to have some mechanism for entering in their suggestions and their reactions to those policies.

Dr. Kay Andersen, Executive Director
Senior Commission, Western Association
of Schools and Colleges—Response

A few years ago, the Accrediting Commission for Senior Colleges and universities pioneered in the whole area of accreditation liaison officers.

This involves designating an individual from an institution to interpret specialized and regional accredited policies and procedures, to assist in their evaluations, and to provide input to the development of new policies. So when one considers this program and its effective operation through the years, I think probably we do more to involve institutions in basic policy determinations than most other regions. I'd also like just to say to highlight what Dr. McCune has mentioned that one of the issues which seems to be confusing to accrediting teams, instituions, the public, and the accrediting commission, is this whole matter of exercising ultimate and continuing control. This is something which we must examine in terms of our own policy. Another problem that we are having is that following approval of the first contract. Institutions have been free to develop other contracts claiming that each new contract program is covered with their accredited status. This is sometimes difficult to interpret to the public.

I'm sure that we've got to give consideration to increasing accrediting fees to pay for additional commission staff, to train evaluators, and for additional on-site evaluations, if we are to assume our responsibility to keep abreast of some rather dispersed operations. I think it has been alluded to by some others that, in some cases, it has appeared to the Commission, and I've chosen these words as carefully as possible--it has appeared to the Commission, that institutional integrity has been compromised through contracted programs. Such compromises are damaging to institutions, to higher education, and to the accrediting process.

Dr. Wayne Henderson
Western Management Institute--Question

I would appreciate if one of the WASC people would respond to the reverse of that, in other words, again I refer to the concept of creative innovation as a necessity. You refer to the concept of brokerage involving the compromising of goals and standards of an institution of higher learning. How do you reconcile the concept of creative innovation and more time? [Reference to the WASC advisory memorandum and the concept of a moratorium.]

Dr. Kay Andersen, Executive Director
Senior Commission, Western Association of
Schools and Colleges--Response

I think it is quite clear that the advisory memorandum is not a final decree that said we are opposed to all contract education. That and previous memoranda have indicated that the whole field of contract education in this region, at least, is mounting so rapidly that we haven't had time to analyze the existing policy and the practices of institutions in those areas.

Dr. Wayne Henderson
Western Management Institute--Response

Permit me to make a response to that, it seems to me that a university or a college is a uniquely creative environment which provides for those people that are within it to generate all of the alternatives that might possibly contribute to the solution of the problems within the community that they serve. I do hope that WASC examines that from the positive side of the ledger, as well as the negative.

Ms. Margaret McCormick
Office of the Lt. Governor
State of California--Statement

I'm Peg McCormick from Lieutenant Governor Dymally's Office and I've been working with a number of people who are in this room and the whole problem of accreditation for about two years. About 20 years ago I was working on another project. I had the bad fortune to spend about six months on a transportation study. What had happened at about that time was that jets were just becoming heavily involved in the transportation of freight. The old tariff rates were based on, believe it or not, old canal laws, and data based upon travel by horse, trains, trucks, cars, and regular old-fashioned airplanes. After a gruelling five months--of course, I walked in there in June and said, obviously, they're going to have to scrap the whole thing and start from scratch; It took us--I think it was close to Christmas when they said, "yeah, you know, none of this is working." They were trying to fit some old-fashioned ideas into something that was really moving so fast it was beyond their scope. They were trying to catch up with what was happening.

These are events of the past, every once in a while I remember that--the long summer at Northwestern University, working on that transportation study. I think education is moving very fast. I've listened here today and noticed something hasn't come up yet. Some of those pressures facing education are coming from a people that have not been served. Somebody already mentioned the community of scholars. The community of scholars has not served women. The community of scholars has not served my boss' constituency--the Blacks and Browns--and there have been a lot of changes in education in the past 15 years and all those constituencies are saying we want a piece of the action. But things are still moving fast--the kinds of things that John Sperling referred to in terms of the technological society.

You're right--accreditation no longer can be addressed simply, though such questions as "the number of books," or "the number of Ph.D.s," and it's not easy now to do accreditation. And so we're now faced with this situation and we should probably have more and more conferences like this. In the meantime, I just want to provide some information about legislation that might be of interest to some of you.

There are several pieces of legislation up this year, all dealing with accreditation. There's the CPEC bill, and there are bills by Senator Green, one by Assemblyman Alatorre, and one by Assemblyman Vasconcellos. They deal with everything, from trying to adjust the present way we accredit to setting up a State accreditation agency. They involve opening up the accreditation procedures and providing for administrative appeal. Now, I'm sure a lot of people in this audience would like to find out more about this and be able to testify. If you'd like to you can write to me in the Lieutenant Governor's Office. But I think we ought to think very seriously about that jet study that I spent six months in. Maybe we need to really sit down and look at the whole approach to accreditation. What is it we're accrediting? That concerns me, because I keep thinking about what I consider my constituency, my boss' constituency, and I'm seriously concerned whether education is addressing any of the critical concerns regardless of whether you're accredited or not. And I want to know how more people have access to making some policy decisions in this country, and that means through education.

Dr. Kenneth Young
Council on Postsecondary
Accreditation--Response

I'd like to respond, if I may. I spent some time at the beginning of my remarks this morning talking not about educational brokering if you recall but about the whole arena of postsecondary education and how important it was to recognize that we're dealing not just with colleges and universities. We are dealing with the many social institutions in our society. This is the great challenge to accreditation and I would agree with the remarks that were just made in that context. I think we've got, in a sense, to reexamine all of the essential things about accreditation in order to make accreditation applicable to this great new complex domain. It is only in that context really, that we can respond to the needs of these student clienteles that were just mentioned. I think it's a terrible mistake to think about trying to find ways to pry open traditional colleges and universities and make them respond to the needs and groups that have not been served before. There's a lot of reasons why they have not been served. Some of them terrible and I would not apologize for them, but many of those people in our society need kinds of education that can best be provided by some of the other forms of postsecondary education that are open now. It would be, I think, a great mistake to just think in terms of trying to get everybody into colleges and universities. What we're going to have to try and do is look at the totality of our society and postsecondary educational needs, the various forms of postsecondary educational opportunities that are open, and then try to find ways to achieve better mixes and matches of those two conditions. There's another point I wanted to make and that would be on legislation.

I've had considerable correspondence with our good friend John Vasconcellos, and recently I got a letter from him in response to a letter I had written him in which I asked him if he'd had a chance to read the many materials which I sent him. "No," he hadn't read them. That's a shame. I've sent these materials not only to Vasconcellos, but to Green and to the other members of the California State Legislature who have expressed concern about accreditation. The essence of those materials is to point out that passing new legislation isn't the only way to get at perceived problems in accreditation, and that's the reason COPA was created. COPA is there as a corrective mechanism, created and supported by institutions of postsecondary education in order to make sure that postsecondary accreditation works right. I have pleaded with Assemblyman Vasconcellos to detail specifically what things he sees in accreditation that are not working well, so that we can then attempt to deal with those particular problems. As a matter of fact, having dealt with legislatures, both state and federal, for a number of years, I have grave reservations that you can solve most problems in our society by passing new legislation. I think that it is more effective to use the machinery that's already in place in attempting to deal with some of these problems.

Dr. Paul Burke
St. Mary's College—Statement

To use Ms. McCormick's comment, I think the moratorium that WASC is suggesting here is a little like the situation she alluded to. Some years ago they said "hold up the jet planes and don't let them take any freight until we get the tariff details worked out." You can't just say "let's stop what we're doing until we figure out rules by which we're going to control these things." They are evolving by their own momentum. There's a vacuum there and somebody is going to fill it and you can't just say, "well, don't let the vacuum occur." The vacuum exists, and somebody is going to move in on it. I have a couple of other points that I just can't resist getting off my chest. A point has been made about WASC accrediting only colleges and not programs. This implies a certain relationship with the institution that you are talking about, and I think their implicit statement is that you are expressing faith in the integrity of that institution, of its administrators and of its faculty, and that that integrity stands until WASC conducts its next accreditation visit. No negative decisions regarding that institution should be made, or statements made about that institution's individual programs unless there is explicit and statistical evidence that that institution is not doing its job, and is not living up to the integrity that's been assumed by giving it accreditation. Now, this has not been the case. We have an instance of this at my own college of a letter being sent out from WASC intimating to a school district that one of the programs that the college offers is causing serious reservations at WASC. Now that's a statement based on an individual program, and I think that it challenges the integrity of the institution that is accredited by WASC and that accreditation

has not been withdrawn, it has not been made conditional. It exists, and I do not think it's appropriate for WASC to take this kind of action. Furthermore, we have heard a great deal about complaints from students, from municipal districts, colleges and other groups that there are things being done by colleges that are inappropriate. The point has been made at several points by Mr. Seaton in the excellent report that was circulated to us that WASC has not been able to furnish statistical data regarding this. We are dealing presumably (with all of the institutions we're talking about here) with many, many thousands of students. Obviously, there are going to be complaints from some number of students. Even if you just took the crackpots, even if you took a half of one percent of the students and had complaints from them, it would prove nothing whatsoever.

Dr. Allan Hershfield
University of California--Statement

I'm Allan Hershfield of the University of California, and I'd like to express a somewhat different view. In the army they used to say it takes 10,000 casualties to make a general. I don't know how many it takes to make a teacher or an educational institution but I think that we must not lose sight of the fact that education is a helping profession. That we indeed have a responsibility to our clients, the students, and while I think that we have a responsibility to encourage innovation I'd like to call to your attention the fact that we may have produced a generation of mathematical illiterates in this country with the new math, not because it was conceptually bad, but because the plans to introduce it were not particularly good. I might also add that institutions are constantly being called or described as being traditional for not accepting new ways of assessing experience. I'm sure that most of you have seen the recent article on the college-level examination program which appeared in Change magazine as well as the rejoinder to it. The rejoinder didn't appear very impressive to me. The article itself made one point which I thought was rather interesting. At the same time that the SAT scores nationally are going down markedly, the number of students receiving credit from the college-level examination program, is going up markedly. Now there's something wrong with those two kinds of findings and I would like to address also the issue of access. I think this society has a responsibility to speak to those issues and to do something to provide access for people who have not been well-served by existing institutions. Unfortunately, many of those very nontraditional studies programs which were begun with the idea that they were going to serve well those people who are not well prepared to work in existing instituions, have not done so. The evidence is pretty conclusive. One asks, "why?" The answer is very simple. In general, nontraditional studies programs, innovative programs, if you will, tend to be more open, more flexible, and place many more demands upon students than is the case with many of our traditional programs. Therefore, in order to succeed in the traditional college or university or community college, they also have to have an

extraordinary amount of goal orientation and achievement motivation or else they won't make it. This has been the finding of Lee Medsker as he has looked at 16 of our nontraditional studies programs across the United States; the British Open University has had the same problem. So I think that we must be very careful. That does not mean we should not innovate. One of our traditions sometimes mentioned by what I consider a very fine philosopher, Douglas Kornford, is in higher education that our motto in the past has been never to be the first to do anything, and I think that what we've got to do is to devise some means of testing innovations before we start inflicting our casualties. We have a tendency to move from panacea to panacea and I hear competency based education mentioned as being a panacea at this particular point. One final comment about that and then I will sit down. If one goes out and looks at the schools and finds an elementary school teacher who believes in all of his or her heart that students learn well to read from bulletin boards and one does a study of his or her students one will in fact find that those students did indeed learn to read very well from bulletin boards. The unfortunate part of it is that someone from the National Institute of Education will come along and spend $5 million to create a "national institute on bulletin board reading" which will focus on the technique, teaching people how to use the technique of bulletin board reading, while losing sight of the fact that the real thing that made that work is the commitment of the dedicated teacher. That, I would submit, is one of the reasons it's so hard to find any sound research evidence which says that one particular method of teaching or the delivery of services is any better than another in terms of educational outcomes.

Dr. Ellis McCune, President
California State University, Hayward
Senior Commission, Western Association of
Schools and Colleges—Statement

I have to leave to catch an airplane but I propose to make one observation, since we're so caught up with the analogy of the jet aircraft. I should like to point out that what the Senior Commission has done with reference to contract programs is substantially what has been done with reference to the landing of the Concorde at John F. Kennedy Airport in New York. "Let's hold this up for a while until we've ironed out all the problems and make sure that we're not creating more problems than we're solving by permitting this to happen." I will also observe that when we finally did learn to accommodate to jet aircraft, we didn't stop running the railroad trains, so I don't think it's really a matter of throwing out everything that's been done in accreditation up to now; it's really a matter of what Dr. Young has suggested, to find the ways and means to cope with all the new things that have come along in addition to what we've been doing before. Thank you.

Consumer Reactions to Brokered Programs

Dr. William Haldeman
Commission Moderator
California Postsecondary
Education Commission

We have heard about the role of the unaccredited broker in postsecondary education, from two of the three parties that are involved in the process of postsecondary education in this particular arrangement. I think that it's appropriate that we take some time to hear from the other party, in fact the client, the party that is presumably the reason the educational institution and the broker are there to offer their services. There are undoubtedly thousands of these clients that have been served in California by the arrangements which we have been speaking about today, and the two that we have here on our panel this afternoon, obviously cannot represent any kind of structured sample of those clients. We did make every effort to find those who were both pro and con--those who were sympathetic and those who had some reservations about the arrangement which we are talking about today and we had up until about mid-day both sides represented. Unfortunately, the one with reservations had to leave mid-day and we are left with two clients who are supportive of the arrangement we are discussing. I would like without further introductory comments to make their instroductions and allow them to give some details about their experience. Let's hear first of all from Mr. John Knox, who is chief of the administrative division of the Los Angeles County Sheriff's Department. Mr. Knox was served through an arrangement of IPD and Redlands University. I will let him describe his experiences and his impressions of the services that he received.

Mr. John Knox, Chief
Administrative Division
Los Angeles County Sheriff's Department

I am a student with the University of Redlands through the IPD program and I'll graduate next month. I'll be happy to answer any questions about that. I'm here in a secondary role; I'm a chief--I have responsibility for the administrative division of the Sheriff's Office. As such, I'm responsible, among other things for personnel training, employee relations, and all educational programs that our people are entered into and all funds that are disbursed for our people. We have approximately 250 people involved at the present time in the Redlands program--220 in the bachelor's program and about 30 in the master's program. We have been involved with Pepperdine programs for approximately seven years. We have one year's experience with La Verne.

We saw the Redlands program as an unusual opportunity. This is a vast area down here. We have our people spread over 4,000 square miles. To take the student to the University is virtually impossible in many cases. We have large numbers of our personnel stationed as many as 75 miles away from the civic center. Redlands, in effect, said to us, as Christ did: "Where you gather some people, there also will we be." And we said that we have a central jail with a staff of 1,400 people in it. Not prisoners, staff. And if we had, say, 50 people who wanted to have a class at 11:00 p.m. when they got through work, could you be there? They said, "You pick the day." They have responded I'm simply saying this, because in many years of experience in this field, we did not get this reaction. I think that the reception by our people proves that it worked. I'm not going to argue the quality of education because I'm not an expert in that field. I know something about people taking classes and I know something about our people. We have 7,500 people in our department. I think we've started a precedent that's going to last. I will not argue that there is a certain pressure in civil service to credential people. It matters not what the credential is—it can be in music, Egyptology, and the Civil Service Board will say, "That's nice—it's nice to see a sergeant with a bachelor's degree." So that's another field altogether. The University here has been tremendously responsive. We haven't in all cases been satisfied with everything. When we've asked for something, it's been corrected. We suggested that we have sufficient students, an external program of this nature could contain programs which were of benefit to law enforcement. And some were adjusted where they could and we have been promised that in the future some of the practicum work will be tied into law enforcement. We feel that's important. I don't mean tied down to the Penal Code—I mean that the management problem should be delivered from the law enforcement point of view, and budgeting from a county point of view—narrow specialities like that.

Ms. Jean Preshaw, Teacher
Alasandro High School
San Jacinto

I am going to address myself to three areas—the first one is my motives for entering this particular program. I teach, by the way, in Hemet if any of you know where that is. It's a small valley located about an hour's drive from any major university—that is, one way. It's an outlying area. I am a mother; I work full time. I am the main breadwinner for my family and this external degree program offered me finally an opportunity to return to a University situation, to enable me to receive my master's degree. I won't try to deny the fact that in my school district they do require a master's before you can go up on the pay scale. However, there are other considerations. I chose this particular program because it met my personal needs. I am in what I

feel a very innovative kind of educational institution myself. I deal with continuation education.

I investigated and I considered leaving my position and attending my alma mater--Fullerton--but I selected the University of Redlands. This is the only program though that really allowed me to do my thing--for me to choose a project and to revolve my thesis around the project that would be significant for me. There are not, to my knowledge, in the State of California--there are no master's degrees in alternative education per se--there are in other states--but this way I could do something that I felt was significant to me, that's important; I felt that the University of Redlands had a very good reputation and it never even occurred to me that there would be any question about the integrity of the University of Redlands and its relationship with IPD. I felt that the relationship was above board. I felt that the University always had the final say. In essence, I feel that I met my fullest potential--that it challenged me to the utmost and I don't see that any time in any other institution would have benefited me quite so much as this particular program did in my situation.

Dr. William Haldeman - Question

I have a couple of questions I'd like to ask both of you. One of the questions that has to do with the integrity of the program that was raised, in fact, and answered in a sense by the speaker from the University of Redlands had to do with the assessment of credit for life experience. Did either of you have any credits awarded for prior experience of some kind that was not from an accredited school?

Ms. Jean Preshaw - Response

I did not. However, I believe that for the bachelor's degree there is some kind of award for past experiences--this is not new--we do it in high school under the title of Work Experience where up to 40 units of electives credit can be counted but it was not in the master's program.

Mr. John Knox - Response

Not in the sense of writing for the life credits. The credits I received were awarded for the Federal Bureau of Investigation National Academy and for seminars that have been held here at the USC and UCLA campus programs.

Dr. William Haldeman - Question

So it wasn't through this program--not for this program that you received credit?

Mr. John Knox - Response

Well, when you say life experience, I think of writing for the life experience in the back of the portfolio for any thing that I could relate to . . .

Dr. William Haldeman - Question

Can we run through that once more? Then you did receive credit for your program . . .?

Mr. John Knox - Response

There are three ways to receive credit in the bachelor's program to make up the basic units you need. One is to have taken those in a junior college and I have two years of that. The second is to have been awarded for other educational experiences, such as attending FBI National Academy which I did for four months, or for attending week-long sessions, which I did. The last category is in writing for these in which you claim a "life experience," that you, for example, learned leadership by being in the army, independent of any leadership school in which you have to describe your learning experience--how it helped you, how it benefits you, that sort of thing. So I distinguish between those three categories.

Dr. William Haldeman - Question

Are you aware of the number of units awarded to you for prior experience?

Mr. John Knox - Response

I think 66 were accepted from the transcript, 15 for the FBI along with, let me see, if was very low numbers--the rest of it was ones, twos, and threes.

Dr. William Haldeman - Question

And this is for--I'm sorry I've forgotten which program--the baccalaureate or the master's?

Mr. John Knox - Response--Consumer Reactions

For the baccalaurette.

Dr. William Haldeman - Question

All right. I think we have just a little bit of time, and since the conference really dealt with the intervention of unaccredited agents within the educational process--whether the broker or the third party--as we've named this entity, I'd like to ask each of you, "Were you aware of IPD? If so, in what respect? Was it a positive or negative awareness?

Ms. Jean Preshaw - Response

We were aware of IPD. I didn't attend the first class meeting but did attend the second meeting. There was a representative from IPD, and I believe the University. Each chapter of our thesis, for example, was sent up north. It was critiqued by someone from IPD. It was then returned to the University where it was reevaluated according to University standards. Various professors would review the thesis--sometimes, I think, two professors. So there was always somebody who would say, "Who are those guys up there?" And they would respond and come back to us with little sorts of things on the edges of our paper. At one point I made a phone call to one of the computer analysts--he worked for IPD--and we worked for several hours on one kind of problem that I had neglected to work, in long hand, instead of some nebulous computer up north. So you have to add up all kinds of relationships; awareness of IPD and the quality of the program was excellent.

Dr. William Haldeman - Statement

Chief Knox, I would assume that you were very aware of IPD, since you received their services, not only individually, but as an administrator.

Mr. John Knox - Response

Yes; we were satisfied with the reputation of the IPD and the University of Redlands.

Dr. William Haldeman - Question

Very good. We are about to conclude this session, but I think it would be only fair to allow general audience questions, or other kinds of audience responses, if you wish. Could you come to the mike so that we can record this?

Dr. Paul Burke
St. Mary's College—Question

Chief, one of the allegations that has been made repeatedly in connection with programs of this sort is that the quality control is not as good in these contract programs as it is in conventional traditional college programs. Since you had two years, presumably, in a more conventional community college setting, would you care to comment on the quality and the quantity of the work that you were required to do?

Mr. John Knox—Response

I had the earlier two years at Pasadena City College and that was in the day when the accreditation was done by the number of books and the number of Ph.D.s, and the number of hours. It is difficult to compare something that comes twenty-some odd years later. There are two ways to put it. I thought the material that was presented was good. Bear in mind that I've been an administrator for a very long time. Since I deal with budgets—I do that for a living and I'm paid to do that—I could say, yes, the material on budgets was rather basic. But seeing my fellow students, who are deputies, I could see it challenged them. In one of the classes we had, we were not satisfied with the instructor, he was making no attempt to bridge the gap between the material and the students, because we're dealing with police who have been out in the streets and for some of them budgets are not their field, really. One discussion with Redlands was all it took—the instructor was replaced because they felt that it was that important.

The instructor that was removed was a good instructor; but he's from the traditional school, and we found in the University of Redlands that they need a new kind of instructor, not by age, but by mental attitude, willing to relate to certain kinds of people, whether they be police, or firemen, or teachers, and to help some of these people put theory into practice. Again, now, I do this for a living; I get paid to negotiate with labor, but seeing these other people do this, you can see where the instructor is really trying to help them and I think the quality was very good. I don't claim it was perfect. I'm on a committee and we've made suggestions; a number of things have been corrected. We weren't satisfied with some of the textbook material, with some of the practicum that was presented but they're changing that now.

Dr. Kay Andersen, Executive Director
Senior Commission, Western Association
of Schools and Colleges—Question

I'd like to ask Ms. Preshaw just what requirements were necessary for the external master's degree. You talked about a project. Did you take any formal course work? Could you describe that for us briefly?

Ms. Jean Preshaw--Response

I'd like to tell you about quality assurance--to back up a little bit. I believe the admissions standards were the same for us as they were for any regular on-campus Redlands student. We had to pass the GRE with a certain score. We had to have a certain grade point average. Admissions required letters of recommendation. There was an oral examination.

Formal classes--we had workshops that were basically involved with various aspects of the thesis as the thesis related to the project. We had to develop some sort of a project and then write the thesis around the project. There were no classes or anything with particular course names or anything like that, but the workshops were involved with all kinds of various things that were connected with thesis writing. Also when we felt that there was a need for some sort of, maybe a rehash of something, about the philosophy of education, or maybe some kind of a sociological or psychological foundations of education need, or whatever, we would call IPD or the University of Redlands and say, "Hey, send someone down here; we need a little refresher course." It's already assumed, I think, that teachers have had most of the basic kinds of educational classes before they have arrived into this program.

Dr. Wayne Henderson
Western Management Institute--Question

Chief, I would be interested in knowing your perception of your life experience credits that you acquired: was it a legitimate analysis of your actual experience? And how did they go about evaluating it?

Mr. John Knox--Response

I'm not quite sure how to answer that. Are you talking about the units that were awarded, sir? Because, again, all of the units I received were given for courses that were given under the auspices of some educational institution. In the case of the FBI National Academy, it was the University of Virginia; in the case of the teacher training, it was the Los Angeles City School System; the seminars on leadership and that sort of thing were with the University of Southern California. So that in that sense, it was a controlled educational environment and the credits were awarded for that. Does that answer your question? Because, again, I am distinguishing between life experience where an individual has written, where he has learned the skill--I'm trying to think of something--art--we have one individual who received some units for art and is a self-taught artist. In his

portfolio he included colored pictures of some of the art work he has done--paintings, collages, and so forth. As I understand it, this first went to IPD, then to the University of Redlands Art Department. It was evaluated by the professors there as to whether or not it was acceptable to give him credit from the University in that field.

Dr. Wayne Henderson--Question

Fine; I was concerned about the units on life education credit.

Mr. John Knox--Response

There is a requirement to write five papers for life credit. This is mandatory, whether you need them--whether you use them, or not. Those are probably the most difficult I've ever written.

Dr. Wayne Henderson--Question

I was also concerned with the transfer of credit. Historically, you go from one program to another, and six units are generally the amount you are permitted to transfer even though you may have 25 or 27. Apparently you did have the opportunity to transfer those credits that were related to what you actually involved yourself in.

Mr. John Knox--Response

When I went to Pasadena City College, we were under a different plan, of course, but I went there actually three years. I was a liberal arts major at the time--a pre-med student. I think out of 76 units on the transcript, they accepted 66, or something like that. But, again, that was a formal institution.

Mr. George Tuck
International Educational
Foundation--Statement

I'm George Tuck with the Foundation for International Education. We are the brokers for the Los Angeles Community Colleges overseas. I'd like to say something for some clients who aren't here. My background is Air Force--about 34 years of it. For the past three years I've been involved in this overseas program of LACCD. I believe programs with a practical orientation which are available to servicemen where they serve are exceedingly valuable. I said to someone a little while ago that I thought it would be a great thing if this conference were held in the DMZ zone in Korea. I think that by talking with our clients on-site you could get pages and pages of some pretty great endorsements for this kind of program.

Mr. John Knox--Statement

I'd like to say just one word about what you're saying. Prior to this assignment as Chief of the Administrative Division, I was the Chief Jailer for this County. We have 10,000 prisoners in our custody at a number of institutions. We had been working with delivery systems of the L.A. Community Colleges to deliver programs to our inmates. We provided educational services to our inmates, doing exactly what you're talking about, trying to get them limited skills that they can use on the outside, to keep them out of jail. I don't mean to preach, but the system is an outstanding way to make it practical; I think that's the least they have done for our sheriff's department and that has made the thing practical. The police are cynical, terribly cynical. They're terribly suspicious. But they've made it a practical thing that they can understand and get their hands into.

Dr. William Haldeman--Concluding Statement

I'd like to thank our panelists. I'm going to close off the discussion at this point, because we are trying to move our meeting schedule ahead just slightly. In summary--if it's possible to summarize the discussion--I'd like to observe that the panelists who were here today were known to be supportive of the program. We deeply appreciate their coming and taking out time from their busy schedules in order to do this. They have stated that these programs were beneficial on the basis of their availability and on the basis of the fact that they met the specific educational needs. In addition, I have observed an appreciation for the flexibility and the responsiveness of these programs.

State Oversight of External Programs: Attention to Issues of Student Consumer Protection

Dr. Steven M. Jung
American Institutes of
Research

My original intent, in accepting an invitation to participate in this conference, was to present some data from a USOE study which I am currently directing. The title of that study is a Review of State Oversight in Postsecondary Education. Unfortunately, we have encountered a disturbing and still continuing 4-1/2 month delay in obtaining official federal government clearance to proceed with our survey of state-level authorizing and oversight of postsecondary educational institutions. Therefore, I am here without data which address the specific topic of interest to this group: How do state-level authorizing and oversight practices affect "external programs" offered by educational institutions with the collaboration of independent contractors (either organizations or individuals)?

Since I have no data to present, I will attempt instead a discussion of the major issues which state oversight poses for external postsecondary programs, and will offer a modest recommendation for the future. In so doing, I will offer insights gained from my preliminary work in planning the USOE State Oversight study and from another USOE study which we recently completed entitled Improving the Consumer Protection Function in Postsecondary Education.

Definitions

I will adopt Houle's definition of external degree program as one in which the student participates in a program of educational preparation (devised either by the student or by an educational institution) which is not centered on traditional patterns of residential study.[1] Since this negative definition includes almost everything outside of traditional, resident higher education programs, it is also useful to cite Granat's[2] four categories of external degree programs as examples:

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1. Cyril O. Houle, The External Degree. Jossey-Bass Publishers: San Francisco, 1973.

2. Richard S. Granat, et al., Legal and Other Constraints to the Development of External Degree Programs. Final Report to the National Institute of Education, Grant NE-G-00-3-0208, January 1975, Chapter 3.

- Traditional programs—those offered as off-campus extensions of existing programs by education institutions whose major role remains that of providing residential study opportunities. Although such programs may be highly "innovative," in that they feature waiver of residency requirements, provision for an independent, flexible study schedule, individual tutoring by adjunct faculty, academic credit for life experiences, and use of community-based instructional resources, they retain traditional educational elements controlled centrally by the parent institution. Granat cites the University Without Walls, organized by the Union of Experimenting Colleges and Universities, as the classic example of a "traditional" external degree program.

- Technological programs—those offered largely through the employment of mass media such as radio and television, audio/video cassette tapes, computer assisted instruction, etc. The classic example cited in this category is the British Open University.

- Examination agency programs—those which offer no educational programs at all, instead awarding academic credit on the basis of knowledge and competency demonstrated through performance on tests conducted by the examination agency. In this type of program, there are no students, no faculty, no campus, per se. The New York Regents External Degree program represents the major American prototype of this category.

- The "rip off" programs—those which claim to offer legitimate external programs but in fact offer little service at a high price. In the past such programs were characterized as "degree mills." There is some question whether such programs represent a major source of consumer abuse; I will return to this question later.

I will be concerned with educational contracting in this paper to the extent that independent contractors offer, or cooperate with higher education institutions in offering, external programs of the four types mentioned above. Clearly, it is the first type of program which is most common and is therefore of most concern in the area of state oversight.

Purposes of State Oversight

States have the constitutionally reserved rights and responsibilities to govern their own public educational institutions; they also have broad regulatory powers over private educational institutions in areas affecting public health, safety, and general welfare. Under the broad rubric of general welfare, most state-level oversight of

postsecondary institutions and programs attempts to impose basic educational requirements for the award of degrees, diplomas, certificates, and other educational credentials. State institutional oversight laws and regulations, in conjunction with basic State consumer protection laws, may also attempt to protect students from fraud, abuse, and malpractice by postsecondary institutions. These two purposes differ somewhat and will be discussed separately later on.

Some commentators have alleged that state oversight has also been exercised to stifle innovative educational programs and protect in-state institutions from competition by out-of-state institutions which seek to expand their external programs. As Kaplin has pointed out,[1] such purposes are probably unconstitutional under the interstate "commerce clause" of the U.S. Constitution. They are, unfortunately, easily camouflaged as concerns for student welfare under the regulation of basic educational requirements.

Extent of State Oversight Over External Programs

In our USOE Review of State Oversight project, we have obtained the most up-to-date laws, regulations, rules, and guidelines in every state. All laws, and regulations/rules which have the force of law, have been abstracted into a standard format so that oversight provisions can be compared between and among the states. Analyses of these abstracts are awaiting the completion of the complementary survey of actual oversight practices and resources, which has been stalled for months by administrative forms clearance requirements.

The abstracting format demonstrates that our basic concern in this study is the degree to which state oversight protects consumers from abuse and potential abuse by postsecondary institutions, as opposed to the evaluation of basic educational requirements. This is because the study's sponsor, USOE, must rely on state authorization as one major prerequisite for institutional eligibility to participate in federal assistance programs. Well-publicized cases of institutional malpractice, in both the private and public sectors, have prompted recent USOE interest in possible methods to improve state oversight with regard to the student consumer protection function. The consumer protection categories in the abstract format are derived from a recently-completed empirical study to define, measure, and suggest strategies for dealing with "consumer abuse potential" in postsecondary institutions.[2]

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1. William A. Kaplin, invited address to Staff Development Workshop for State Licensing/Approval Officials, Keystone, Colorado, 21 July, 1976.

2. Copies of the final report of this project have recently been made available by the Office of Planning, Budgeting, and Evaluation, Postsecondary and International Programs Division, U.S. Office of Education, Washington, D.C. 20202.

For the purposes of today's conference, AIR staff conducted a brief search of all state oversight laws and regulations to determine the extent to which they contain special provisions applicable to "external" programs generally and "contractor-involved external programs" specifically.[1] To date, only five states have made legal provisions for oversight of external programs; of these, Tennessee's represents the least extensive and Ohio's the most extensive. All of these legal provisons relate to the "basic educational requirements" oversight purpose, rather than the purpose of "protecting students from potentially abusive conditions or practices." No state has laws which specifically provide for oversight of programs involving "contractor" organizations. "Contracting for educational services" is often permitted, but always in the sense of one institution or state agency contracting with an established educational institution, again, only "basic educational requirements" oversight standards are mentioned.

This means that state-level oversight decisions for external, contracted educational programs must generally fall back on the state laws and regulations which have been established for traditional, resident instruction programs.

Probable Effectiveness of State Oversight of External Programs

The "basic educational requirements" function. State laws designed to ensure that resident educational programs meet basic requirements often suffer from two major deficiencies when applied to external programs.

The first deficiency is that, since these programs may be offered by an institution (or contractor) domiciled outside the state, there is often a legitimate question as to whether or not the laws of the overseeing state apply. For example, the institutional authorization law of Massachusetts states that:

> "no educational institution located within the Commonwealth shall award degrees unless authorized to do so by the Commonwealth."[2] (Emphasis added)

Does this mean that an institution offering instruction in Massachusetts but located in and offering a degree from another state would be subject to authorization? Judicial intervention may ultimately be required to answer this and similar jurisdictional questions.

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1. I would like to thank Susan McBain, Carolyn Helliwell, and Jeanette Wheeler for carrying out this search.

2. Chapter 69, Section 31A, General Laws of the Commonwealth of Massachusetts.

The second, and more serious, deficiency is that commonly used educational criteria designed to assess the adequacy of traditional programs may be ridiculously inappropriate for application to external programs, which are almost always "non-traditional." Much could (and has) been said already on this topic, which also relates to the evaluative criteria of institutional accreditation agencies, to which many states delegate the "quality review" function. I will not belabor it further. My major interest is in the next function of state oversight.

The "consumer protection" function. As yet we do not have sufficient data to adequately assess the effectiveness of state oversight in protecting students from potentially abusive institutional conditions and practices for resident programs.[1] We have even less information with regard to external programs. Several past investigations of state authorizing laws and oversight practices have produced contradictory findings. Brief studies by the staff of the Federal Trade Commission (in 1976) have concluded that state authorizing laws and oversight practices have produced contradictory findings. Brief studies by the National Association of State Administrators and Supervisors of Private Schools (in 1975) have concluded that states are generally doing a creditable job of both preventing and controlling abusive practices. None of these studies have provided an in-depth profile of the strengths and weaknesses of the oversight laws and enforcement resources in each state relative to student consumer protection.

It is clear, however, that the common state practice of allowing institutional accreditation to serve as a substitute for state oversight in the area of institutional probity, as opposed to the area of institutional quality, is a dangerous and perhaps unwarranted delegation of the state's legal authority. One of the products of our previous USOE study was the preparation of a User Guide for state regulatory agency personnel to enable them to quickly and objectively measure consumer abuse potential in postsecondary institutions. This system was designed and was field-tested for application to both accredited and nonaccredited institutions, but its applicability to nontraditional, external programs has not been tested.

Do External Program Consumers Need State-Level Protection?

There are no current data to indicate that students, as the primary consumers of external programs, contracted or offered by institutions themselves, are in great need of state-level protection from institutional fraud and malpractice. Considerable research has been done (much of it cited in Craig Seaton's conference report) to demonstrate

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1. For a list of such conditions and practices, see Appendix C in Jack A. Hamilton, et al., A Review of State Oversight in Postsecondary Education, AIR-59400-10/76-TR(1). Palo Alto: American Institutes for Research, 1976.

that students who purchase external degree programs are quite different from traditional students, both in their characteristics and in their outcome expectations. They tend to be older, more experienced, employed, and have to have definite career goals which will be advanced by the possession of a degree or other credential. Unlike traditional students, they are not likely to be naive in the educational marketplace or to face unemployment if they fail to possess at graduation the knowledges and competencies commonly required by employers.

Most of our documented examples of consumer abuse in postsecondary education have stemmed from cases where students were led to expect certain educational benefits which were then not delivered, to the student's detriment.[1] However, even in the case of Granat's "rip off" type external programs mentioned earlier, it is difficult to detect an abuse to the student, if he/she gets the promised educational credential in return for payment of a specified sum, whether or not any other services were provided or outcomes obtained.

It is always possible that other secondary consumers may be defrauded (to the extent that they have faith in a bogus credential as an indication its holder possesses certain knowledges or competencies) and are misled to their detriment. And, while one reasonable remedy might well be to stem the blind use of academic credentials as the major determiners of job entry and advancement in our society, clearly it is not in the best interests of the public welfare for "degree-mill" activities to be allowed to persist.

Nevertheless, compelling evidence of direct consumer abuses, such as those documented in our earlier work, which justified our call for both state and federal regulatory improvements, including minimum consumer protection standards for authorization and eligibility, does not seem to exist in the area of external programs.

It is my recommendation that state agencies work together with institutional accreditation organizations, which have already put in a good deal of thought and effort in this area, to work out suitable criteria for jointly evaluating the quality of external programs. Unless there are new findings to the contrary, however, state provisions for oversight of external or contracted programs would not seem to be necessary.

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1. See Carolyn B. Helliwell and Steven M. Jung. Consumer Protection Strategies: A Literature Review and Synthesis, AIR-52800-12/75-TR(2). Palo Alto: American Institutes for Research, 1975.

Implications for the State of California

Dr. Ralph Mills, Dean
Continuing Education
California State University
and Colleges

My name is Ralph Mills. I'm the Dean for Continuing Education of the California State University and Colleges. I did have about three pages of brief notes that I'd decided to speak to. One of them is a general observation about the nature of the conference. I think it's a valuable conference, one that is long overdue, and one that should be repeated in the near future.

The one comment I would make about the conference is that it is inordinately polite. I think the basic issue isn't the question of a broker, or no broker; the issue is one of change in higher education. I think a broker came into existence because there's a good bit of tradition. As I was noting over on the sidelines, I'm a fan of John Gardner, and his commentary on institutional change appears to be well known.

I don't think we could bring about the change which we think is needed in institutions of higher education as rapidly perhaps if we didn't have brokers. That is to say they are facilitators of change, but they are outside the normal environs of the institution and hence come into a lot of criticism. Some of it is justified. That's why I say there's politeness. We have dealt with the issues at a theoretical level and on paper; in theory there's nothing wrong with the way a broker operates. But I don't want to take institutions off the hook. Whether it's a broker, or whether the institution is doing it itself, the same problems exist. It is an observation of mine that institutions will frequently go the autocratic approach. That is to say, faculty are traditionally and notoriously conservative. The approach is to set up an administrative unit and give it a charge. Now, whether that's within the institution and you're giving an administrative unit a charge, or whether it's to a broker and you're giving that broker a charge, the results are frequently the same. So I think we need to get to the practical aspects of it--I think one gentleman from St. Mary's has approached some of the practical problems. He says, "Where are the consumer complaints?" I pulled together an analogy which I don't like very much, but I'll try to explain it.

We broker, or we sell, two services in higher education whether public or private. One is instruction and one is certification, or credentialing. Now, the gentleman, Mr. Knox, from the Sheriff's Office--I'm not picking on anyone, I'm just using illustrations that were provided here--has pointed out that his department is very satisfied. One of the questions I would ask is "Who is the consumer of that program?" Is it the individual officer, or is it the department who recognizes the fact that he's been

credentialed? What I'm getting at is that we can sell certification or we can sell instruction. If an individual student is in a position where his boss or his employer recognizes that certification and accords to it all the benefits that he would accord to instruction because he does it assuming such instruction is taking place, is that student going to complain if the program is not too rigorous? If that student's interest is in being certified--okay. We have many people and I think I can provide the evidence--I have done this in the past--of programs that are in the business of offering credit or certification in the marketplace, as opposed to instruction.

Why is this a public concern in the State of California? Because the credibility of all of higher education is at stake. The credibility of all of higher education. Stanford is co-sponsoring this program. As far as I know, Stanford is not very much into external degree programs, and so on. But Stanford is involved in this issue because when we have the public, through its agencies, like the Legislature, and so on, becoming concerned about the credibility of higher education, and we take accreditation out of a voluntary agency and put it into a State agency and we create in the State of California a ministry of education in this State, which will have its correspondent in Washington; or perhaps there will be in Washington, first, a ministry of education--we will be told, all of us, Stanford alike, what to do, where to do it, and how to do it--just as the Veterans Administration regulations give all of us fits today. If there are problems to the voluntary approach to accreditation, I think it's in the common interest of brokers, private institutions, public institutions, and the people of California to do what's necessary to make the voluntary accreditation approach work. Now, having said that, I'd like to address specific issues which I think emerge from this for the State of California and I'll try to do this very rapidly before Craig throttles me. In any event, I'd like some of these issues to be put on the agenda at a subsequent meeting, if we can find a sponsor, and if I can get an invitation.

We have to recognize in the State of California officially and publicly through the Legislature and through the Governor's Office that there are changing needs--educational needs--in society. Student profiles are changing--they're getting older, they're becoming less mobile; they can't come to our campuses. Inherent in the CPEC Master Plan is the assumption that " . . . we plan campuses to meet regional and statewide needs," and this was just reendorsed a couple of years ago by CPEC when it was new, that we redirect students when they can't be accommodated at San Jose State, that we direct them to Hayward, or redirect them down to San Luis Obispo, and so on. It is folly to think that that kind of State planning is going to be effective. Students are no longer mobile, they are older, they have other requirements imposed on them. Their life is not devoted to getting an education but they need one. Secondly, I think we ought to recognize that the implications of fewer younger students and more older students call on us to make changes in facility utilization formulas, and faculty utilization formulas. The

gentleman from San Francisco was saying this morning that we have faculty who are now engaged in consultation, more evaluation, more assessment. I've been saying for maybe two years--the State of California and the Department of Finance have to recognize, and CPEC has to get behind this--we have to have more flexibility in public higher education in the State to utilize our faculty to meet new emerging educational needs. We can't do it all standing in front of the classroom lecturing. Another point and I'll stop with this: I think CPEC right now has in front of it the issue in a Committee on Lifelong Learning, CPEC has in its Five-Year Plan a statement calling on the State to fund certain kinds of programs. In reviewing the Plan, I've been critical of it on the grounds that it's asking the State of California--the Legislature--to fund certain things that they've already turned down in one form or another. What we need to do in California to call this entire matter to the public's attention is to (and we have developed a position paper which the CPEC committee will be looking at) do an issue paper on lifelong learning for the State of California. Let's call the changing needs of society to the attention of the Legislature and the Governor as a public policy in the State of California and ask them to make a decision. We will lay out some of the options we have before us if such a decision is made. Those decisions can guide us in planning for the future, instead of trying to make traditional programs serve the needs of a changing student body, a changing student profile. Thank you.

Dr. Allan Hershfield
University of California

I am Allan Hershfield from the University of California. I will indeed try to keep my remarks very brief. H. L. Mencken is reported to have said that Puritanism was the haunting suspicion that somewhere, someone was having a good time. I really personally am not very much worried about whether institutions are making a profit or they are not making a profit. The important thing is results and I think that's what accreditation ought to look for. But my concern is, as institutions of postsecondary education move into this era of the 80s, when we're supposed to have the decline of the 18-year-old to 22-year-old cohort, that institutions will do things that are inappropriate to survive. That is to say, a college, university, or a community college, will attempt to become a multipurpose social welfare institution which it is not equipped to do; I think it's encumbent upon us--and I agree wholeheartedly with what Ralph just said that we ought to work together to make voluntary accreditation work, we cannot stand another layer of laws, another set of dictated coordinators that have to be added with the budgetary demands and the restrictions that are placed upon us, so I feel very strongly that while we must develop some new criteria, we've got to encourage innovation. At the same time we do have to protect our clients--the people we serve--we must work together to develop this appropriate criteria and as quickly and as expeditiously as possible, with

good conscience and good will, and without attempting to point the finger of blame at one another. We are all in this together; we will solve the problem together, or we will all hang separately.

Dr. Harry Sherer
California Community Colleges

My name is Harry Sherer. I'm with the Chancellor's Office of the California Community Colleges in Sacramento; I'm not going to say a word about accreditation. I think that all that needs to be said has been said with regard to that. I do have one dimension to add to the discussions that have been held so far. We've talked about quality assurance and quality education. There's one dimension to this that we in the Community Colleges are particularly concerned with, namely, the appropriateness of education. One of my degrees--one of my licenses--happens to be in an area where I have to do a lot of continuing education, and the gentleman who is in charge of public health at UCLA said recently that it's perfectly all right to make sure that the operation that a surgeon has just performed was an excellent operation, but whether or not it was necessary is another kind of a question. We can talk about quality education, you see, but whether that program was entirely necessary is a different kind of a thing; so we have to be concerned with the fact that we can turn out an excellent auto mechanic and that auto mechanic can go out and get a job--this is an entirely different new dimension. Second, we have another kind of dimension in the Community Colleges, namely, that we have local autonomy to contend with and we can't always go in directions that some of the other institutions can go. And so I suppose that, too, is going to be taking its shape and new form. I know that Mary Lou is particularly in a very salient position here to confront this entire issue of a new population and force us to look at the kinds of things that we have to look at. Long ago, not too long ago, perhaps, the name of junior college was changed to community college. I think that would give the kind of impression as to the kinds of things that a community college has to do. We can't go out of the country with the exception of LACCD but I won't go into that. If we don't go out of the country, we are confined to our immediate communities. We have outreach to our communities, we've reached everybody in our communities as best we can and we're not afraid to drop a program that doesn't do what it has to do to the people of the community.

We long ago have been dealing with the industries and the staff of the industries and we are taking three very specific directions to do what now is done by contracting agencies in the other segments. We can't go into that direction except for certain types of programs in vocational education. We're for their particular interests and these are the students that will still continue to apply for cosmetology schools, barbering schools, or for health services; they will continue to work, making contracts with hospitals, and other community services, or for nurses, and so on. So that mostly in occupational areas you'll find this kind of thing going on.

I am personally involved very deeply in articulation with the segments because we are in an era now when we have to do regional planning. No longer can the community college live by itself or the agency live by itself. This is only one of the avenues by which institutions work with another institution to share resources, staff, share planning, share evaluation, share needs, and so on. This is only to improve the kinds of things that are going to be taking place in California. Secondly, we are now entering a new era, but a very controlled era of education without walls. We are watching that very carefully. It's to meet one very specific new development in this State and I'm sure in other states, as well. We are serving new people, we are serving new constituents, we're serving a new clientele. We are no longer serving the 18-22 year-olds only. The needs of that new person can no longer be met by meeting in a classroom at 9:00 o'clock on Tuesday morning and walking out at 10:00 o'clock. To serve these new people--and they make up an entirely new group by themselves--we now have introduced (I've been very fortunate in being part of that entire movement) several pieces of legislation that will help us free ourselves from the confines of the budgeting systems that have held us with an umbilical cord with the high schools. They've trying desparately now to pay for the kinds of things that will give us the instrumentalities to reach this new population and at the same time to develop the evaluational instruments by which we will know whether we are succeeding or not. I think the Community Colleges are not particularly involved in that area of contracting with nonaccredited institutions but they are involved in working with consultants and consultation teams where it is optimal to our purposes. I would certainly be glad to continue in the directions in which we've heard so much about today. I do have my own feelings about accreditation but I know the difficulties under which they operate. Finally, I dare say that with a little bit of hope and a prayer maybe we can do something with the new legislation we have out so that we can improve the funding possibilities which now are based upon a student sitting in a classroom. Thank you very much.

Ms. Mary Lou Zoglin
Commissioner, California
Postsecondary Education Commission

I'm Mary Lou Zoglin. I'm a member of the Board of Governors and of the Postsecondary Education Commission. Someone asked me this morning whether or not I planned to include a certain topic in my remarks. I had to admit that I had absolutely no planned remarks because I knew absolutely nothing about the topic when I arrived today except what I had learned from reading Craig's paper. So I've been thinking--I've been very aware that I was going to have to talk to you this afternoon, and in trying to decide what to say, after each presentation what I was going to say changed. I'm sure that is going to continue happening, so what I'm saying to you is just an off-the-top-of-my-head reaction to what I heard today.

The first priority of the Postsecondary Education Commission in its current Five-Year Plan is access. I think what we've learned today makes it very clear that there are a great many people who have not been able to have access to our traditional institutions. I think we on the Commission should be very sensitive to this, and we should realize that a lot of things are not being offered that people would like to have. I think we need to be alert to the fact that many of these programs are being offered currently to only a limited socio-economic segment of our population. Therefore, this whole topic is of great interest to the Commission.

Secondly--the other side of the coin--the other area that I'm concerned about, after hearing the presentations today, is consumer protection. You might translate this into quality assurance, if you wish. I am concerned that many of the groups, referred to by the lady from the Lieutenant-Governor's Office, who have not been previously served by our current system, are the ones most likely to be the victims of fraud in a system that is not controlled in any way; therefore, I think we need to look at this area. By the same token, I think we have to admit that, within our traditional institutions, our students do not receive at times exactly what they expect to receive either; so our hands are not completely clean in that area. I'm very interested in that, as well as in the area of less traditional programs. As for my reactions--I have absolutely no assurance that they would be those of my fellow Commission members. I have a strong feeling that my own might well change tomorrow after I finish reading some of the materials I picked up this afternoon. I thought the conference was excellent, certainly for one who knew very little about it, and I wish the entire Commission could have been able to be here. Thank you.